



Cranfield
UNIVERSITY
School of Management

T H E F E M A L E
F T S E B O A R D
R E P O R T 2 0 1 6

WOMEN ON BOARDS:
TAKING STOCK OF WHERE WE ARE

Dr Ruth Sealy
City University London

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Professor Susan Vinnicombe CBE
Cranfield University





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MINISTER'S FOREWORD

Last year we celebrated surpassing Lord Davies's target of 25% women on FTSE 100 boards and embraced his recommendation for a business-led target of 33% women on FTSE 350 boards by 2020. We have seen a significant culture shift at the heart of British business with the number of women on FTSE 350 boards more than doubling since 2011 and no more all-male boards in the FTSE 100.

One of the greatest achievements of the last few years is that business no longer asks why women's representation is so important but rather how they can make gender diversity a reality. This has been achieved through a concerted, collective and collaborative effort from board chairs, businesses, investors, executive search firms, government, academics, the media and, of course, women themselves.

This year's Female FTSE Report highlights that there have again been year-on-year improvements in the number of women on boards with some boards even moving to gender parity. However, this is no time for complacency, and the report also rightly highlights that progress needs to accelerate. It is crucial that we work together, government and business, to ensure that we do not lose momentum on this important agenda. If we are going to close the gender pay gap and tackle the inequalities that still exist in the workplace, we must capitalise on the skills and expertise women can bring to our top companies. The principle of equal opportunity should apply in every workplace, in every sector and in every boardroom in the UK.

If we are to see sustained gender diversity at the top of business we must do more to ensure women progress through the executive pipeline. The reality is that progress in women's representation at executive level remains too slow. Analysis in this report also gives us an insight into women's representation at Executive Committee level in the FTSE 100, showing that they hold only 19.4% of Executive Committee roles. In 2016 it's unacceptable that women continue to be an exception when it comes to the most senior leadership positions in business.

We are therefore delighted that Sir Philip Hampton, Chair of GSK, and Dame Helen Alexander, Chair of UBM, will be focusing on improving representation of women in senior layers of FTSE 350 companies as part of their new review on women on boards. Both Dame Helen and Sir Philip have extensive experience at executive and non-executive levels and we look forward to considering their findings.

Achieving gender equality isn't just the right thing to do, it's vital for our economy too – enhancing performance and nurturing productivity. Although the employment rate of women is the highest on record, a detailed McKinsey report has estimated that if the market participation of women and men were equalised, then annual GDP could be increased by at least 10% in 2025. If we work together to make real progress on this then we will ensure women's voices and views are heard at the highest levels of business and grow the economy for the country as a whole.



Nicky Morgan

The Rt Hon Nicky Morgan MP

Secretary of State for Education and
Minister for Women and Equalities



Lucy Neville-Rolfe

Baroness Neville-Rolfe DBE CMG

Parliamentary Under-Secretary of State and
Minister for Intellectual Property, Department
for Business, Innovation and Skills

MELANIE RICHARDS' FOREWORD

When the Davies Report first came out five years ago, the original target of 25% representation of women on boards by 2015 was seen as a quite high bar. When I look back today, I feel proud of what has collectively been achieved in hitting that target, but know that far more can be achieved. It would be remiss of us to stagnate at this level, as the original aspiration was only ever part of a journey, meant to raise our game and ambition for gender equality.

I am very aware that while the Boardroom was a highly visible platform to demonstrate tangible benefits and success to start with, it was also perhaps the easier nut to crack. Though we cannot let up on driving female representation on boards, the same level of effort should now be focused on the executive pipeline and levels below. It is not one single person's responsibility to drive this – the progress and success achieved thus far has been because of the collaboration and efforts of a large number of people and organizations which now needs to broaden further. For continued progress at pace, success should be a result of consistent efforts of everyone rather than the exceptional efforts of some. A big part of this is organizations monitoring and being transparent about data related to succession planning, promotions and recruitment.

I would encourage women to consider having an executive and non-executive career on a parallel track. There are an increasing number of innovative organizations out there that are making it very accessible for women to have long term fulfilling careers and we must keep this momentum going.



Melanie Richards

Melanie Richards

Vice Chair, KPMG in the UK



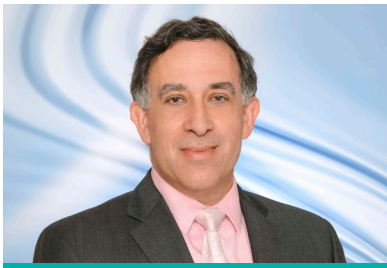
MAURY PEIPERL'S FOREWORD

Diversity has long been a Cranfield priority, thanks to Professor Susan Vinnicombe and her colleagues' influential 'women in leadership' research. This important work has not only shone a light on gender imbalance at senior levels, but has, crucially, set the agenda for real change in boardrooms across the UK and, indeed, further afield.

Since 1999, a lot of progress has been made, but there is still work to be done to inspire organizations to change in order to gain access to the widest possible pool of talent, not only to eradicate all-male boards in FTSE 350 companies, but also to ensure that the proven benefits of diversity reach well into the middle and senior management ranks.

Our university community continues to thrive and benefit from high calibre female students, staff and alumni, so we know from experience that workplace diversity makes good business sense. But the most talented women need a real opportunity to lead and this requires a system-wide approach, both top-down and inside-out. The best organizations lead change, rather than merely signing on to a token initiative to tick a box. Importantly, the report advises against an individual focus on women and suggests a more holistic approach to focus on how gendered structures, processes and behaviours often prevent women from bringing their full potential to their work.

We trust Cranfield's talented female graduates will both benefit from these positive changes in their working lives and be inspired to challenge the remaining obstacles these vital reports have sought to do. Real change takes time, but with a focus on committed leadership and corporate transparency as key drivers, the future for gender balance in business is looking brighter.



A handwritten signature in black ink that reads "Maury Peiperl". The signature is written in a cursive, flowing style.

Professor Maury Peiperl

Director, Cranfield School of
Management

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EXECUTIVE SUMMARY

This year we have seen the percentage of women on FTSE 100¹ boards increase to 26%, which is significantly more than in March 2015 when our Female FTSE report recorded 23.5%, but similar to October 2015 when the Davies closing report recorded 26.1%. The percentage of women holding FTSE 100 non-executive directorships is 31.4%, compared to 28.5% in March 2015 and 31.4% in October 2015. The percentage of women in executive directorships on FTSE 100 boards is 9.7%, compared to 8.6% in March 2015 and 9.6% in October 2015. These trends point to steady progress compared to March 2015 but to a relative stagnation of the pace of change since October 2015.

Across FTSE 100 boards, the percentage of new appointments going to women over the six months between September 2015 and March 2016 was only 24.7%, the lowest since September 2011. Progress towards the Davies target of 25% women on boards relied on 33% of new appointments going to women and a board turnover rate of at least 14.5%. Turnover rates have also stagnated. While board turnover rates averaged 14% across FTSE 100 boards in previous years, this year turnover has reduced to 13%. During the closing of the Davies Review in October 2015 a new target of 33% women on FTSE 350 boards by 2020 was announced. This year's trends suggest that such progress can only be achieved if the pace of change increases to former levels. We hope that there will be renewed progress with the Government-backed Hampton/Alexander review, led by Sir Philip Hampton.

June 2016	FTSE 100	FTSE 250
Female held directorships	279 (26.0%)	406 (20.4%)
Female executive directorships	26 (9.7%)	29 (5.6%)
Female non-executive directorships	253 (31.4%)	371 (25.7%)
Companies with female executive directors	20 (20%)	26 (10.4%)
Companies with at least one female director	100 (100%)	235 (94.0%)
Companies with at least 25% female directors	61 (61%)	90 (36.0%)
Companies with at least 27% female directors (expected 2016 progress towards the new 33% target by 2020)	44 (44%)	66 (27.0%)
Companies with at least 33% female directors	19 (19%)	39 (15.6%)

FTSE 100

Diageo is leading this year's ranking with 45.5% women on their boards. Next and Kingfisher tie for second place with 44.4% women on their boards, followed by Unilever in fourth place with 42.9% women on their boards. Sixty one companies in the FTSE 100 have reached the previous 25% Davies target. Progress towards the new 33% target by 2020 would entail an average annual increase of 1.6% women across FTSE 100 boards, therefore requiring approximately 27% women on FTSE 100 boards in 2016. So far, 44 companies in the FTSE 100 have reached at least 27% women on their boards. There are no all-male boards among FTSE 100 companies.

FTSE 250

The percentage of women directors on FTSE 250 boards has risen to 20.4%, compared to 18% in 2015. Five FTSE 250 companies have 50% women on their boards: Grainger, Halfords Group, JPMorgan American Investment Trust, Renewables Infrastructure Group, and Woodford Patient Capital Trust. The percentage of women holding executive directorships has increased slightly to 5.6%, and there are only 15 companies left with all-male boards. Ninety FTSE 250 companies (only 36%) have met the previous 25% targets, and 66 FTSE 250 companies (26.4%) now have at least 27% women on their boards.

THE EXECUTIVE PIPELINE

Progress among executive ranks and in the executive pipeline remains very slow. Female executive directorships stand at 9.7% in the FTSE 100 and 5.6% in the FTSE 250. This year we expanded our analysis below board level and found that there are only 19.4% women holding roles on Executive Committees of FTSE 100 companies. This shortage of women in top senior roles will make it difficult to reach and sustain the new target of 33% women on boards by 2020.

The Davies closing report encouraged FTSE 350 companies to extend the best practice seen at Board level to improve gender balance and look to fundamentally improve the representation of women on the Executive Committee and senior-most leadership positions. This challenge is being tackled by Sir Philip Hampton's Government-backed Hampton/Alexander review and we hope this will spur on renewed progress. In this report, we make the case for the usefulness of gender targets below board level, and present case studies of organizations that are pioneering this approach.

STRATEGIES TO MAINTAIN MOMENTUM MOVING FORWARD

After a successful closing of the Davies Review in October 2015, we observe this year a concerning trend of stalled progress. We outline below key points to be considered for future action:

- The focus on boards must be preserved as the pace of change has not kept up after the Davies closing report. Chairmen and search consultants must ensure that boards are continually refreshed and that we return to a board turnover rate of at least 14%. A larger share of new appointments must go to women, and the board appointment process must remain robust, transparent and gender-inclusive. Organizations must ensure that women not only get on boards, but actually reach senior roles such as Senior Independent Director and Chairman.
- Greater attention should be paid to the female pipeline. Women are under-represented on FTSE 100 Executive Committees, especially in operational and C-suite roles, compared to functional roles. Future action should consider how organizations can develop talented women more effectively and how they can encourage more of them to take up operational roles.
- We need more robustness and transparency in reporting gender composition at Executive Committee level and below. Companies should be encouraged to monitor and report gender balance across all seniority levels.
- Metrics and targets are effective tools to create a disciplined approach to gender balance and cultural change in organizations. In this report we lay out principles of target setting and provide case studies of organizations that use voluntary gender targets. We invite other FTSE companies to consider how such measures might help them achieve progress towards gender balance in senior management ranks and below.



FEMALE FTSE 100 INDEX

Rank	% of WoB	No. on Board	No. of Women	Company	Women Directors (Executive Directors in Bold)	Chairman
1	45.5	11	5	DIAGEO PLC	Peggy Bruzelius; Betsy Holden; Nicola Mendelsohn; Emma Walmsley; Kathy Mikells	Dr. Franz Humer
2	44.4	9	4	NEXT PLC	Caroline Goodall; Dame Dianne Thompson; Amanda James; Jane Shields	John Barton
2	44.4	9	4	KINGFISHER PLC	Clare Chapman; Parekh Goss-Custard; Véronique Laury-Deroubaix; Karen Witts	Daniel Bernard
4	42.9	14	6	UNILEVER PLC	The Hon. Laura May-Lung Cha; Professor, Dr Louise Fresco; Ann Marie Fudge; Dr. Judith Hartmann; Madam Mary Ma; Professor, Dr Youngme Moon	Michael Treschow
5	40.0	10	4	LEGAL & GENERAL GROUP PLC	Carolyn Bradley; Julia Wilson; Lizabeth Zlatkus; Lesley Knox	Rudy Markham
5	40.0	10	4	WHITBREAD PLC	Wendy Becker; Susan Taylor-Martin; Alison Brittain; Louise Smalley	Richard Baker
7	38.5	13	5	OLD MUTUAL PLC	Zoe Cruz; Danuta Gray; Adiba Ighodaro; Nku Nyembezi-Heita; Ingrid Johnson	Patrick O'Sullivan
8	37.5	8	3	ROYAL MAIL PLC	Cath Keers; Orna Ni-Chionna; Moya Greene	Peter Long
8	37.5	8	3	3i GROUP PLC	Caroline Banzsky; Martine Verluyten; Julia Wilson	Simon Thompson
10	36.4	11	4	BURBERRY GROUP PLC	Fabiola Arredondo de Vara; Stephanie George; Dame Carolyn McCall; Carol Fairweather	Sir John Peace
10	36.4	11	4	MARKS & SPENCER GROUP PLC	Alison Brittain; Miranda Curtis; Laura Wade-Gery; Helen Weir	Robert Swannell
12	33.3	9	3	INTERCONTINENTAL HOTELS GROUP PLC	Anne Busquet; Jo Harlow; Jill McDonald	Patrick Cescau
12	33.3	9	3	LAND SECURITIES GROUP PLC	Dame Alison Carnwath; Cressida Hogg; Stacey Rauch	Dame Alison Carnwath

12	33.3	9	3	MERLIN ENTERTAINMENTS PLC	Rachel Chiang; Fru Hazlitt; Trudy Rautio	Sir John Sunderland
12	33.3	12	4	ASTRAZENECA PLC	Dr. Cori Bargmann; Professor, Dr Geneviève Berger; Ann Cairns; Baroness Vadera	Dr. Leif Johansson
12	33.3	9	3	ADMIRAL GROUP PLC	Annette Court; Penny James; Jean Park	Alastair Lyons
12	33.3	9	3	INTERTEK GROUP PLC	Dame Louise Makin; Dr. Gill Rider; Dr. Lena Wilson	Sir David Reid
12	33.3	9	3	SSE PLC	Katie Bickerstaffe; Sue Bruce; Helen Mahy	Richard Gillingwater
12	33.3	12	4	STANDARD LIFE PLC	Melanie Gee; Noël Harwerth; Isabel Hudson; Lynne Peacock	Sir Gerry Grimstone
20	32.0	25	8	TUI AG	Angelika Gifford; Val Gooding; Janis Kong; Coline McConville; Carmen Riu Güell; Carola Schwirn; Anette Stempel; Elke Eller-Braatz	Professor, Dr Klaus Mangold
21	31.6	19	6	HSBC HOLDINGS PLC	Kathleen Casey; The Hon. Laura May-Lung Cha; Irene Lee; Rachel Lomax; Dr. Heidi Miller; Pauline Van Der Meer Mohr	Douglas Flint
22	30.8	13	4	CRH PLC	Rebecca McDonald; Heather McSharry; Lucinda Riches; Maeve Carton	Nicky Hartery
22	30.8	13	4	WPP PLC	Charlene Begley; Daniela Riccardi; Nicole Seligman; Sally Susman	Roberto Quarta
24	30.0	10	3	SHIRE PLC	Susan Kilsby; Sara Mathew; Anne Minto	Susan Kilsby
24	30.0	10	3	PEARSON PLC	Elizabeth Corley; Dr. Vivienne Cox; Linda Lorimer	Sidney Taurel
24	30.0	10	3	CAPITA PLC	Maggi Bell; Gillian Sheldon; Dawn Marriott-Sims	Martin Bolland
24	30.0	10	3	RELX PLC	Carol Mills; Linda Sanford; Marike Van Lier Lels	Tony Habgood
24	30.0	10	3	SAINSBURY(J) PLC	Mary Harris; Lady Susan Rice; Jean Tomlin	David Tyler
24	30.0	10	3	SEVERN TRENT PLC	Dr. Angela Strank; Dr. Emma Fitzgerald; Liv Garfield	Andy Duff
24	30.0	10	3	EASYJET PLC	Adèle Anderson; Dr. Chris Browne; Dame Carolyn McCall	John Barton

24	30.0	10	3	WOLSELEY PLC	Tessa Bamford; Maria López Álvarez; Jacky Simmonds	Gareth Davis
32	28.6	7	2	HARGREAVES LANSDOWN PLC	Shirley Garrood; Jayne Styles	Mike Evans
33	27.3	11	3	GLAXOSMITHKLINE PLC	Stacey Cartwright; Lynn Elsenhans; Judy Lewent	Sir Philip Hampton
33	27.3	11	3	TESCO PLC	Deanna Oppenheimer; Alison Platt; Lindsey Pownall	John Allan
33	27.3	11	3	BT GROUP PLC	Isabel Hudson; Karen Richardson; Jasmine Whitbread	Sir Mike Rake
33	27.3	11	3	BRITISH AMERICAN TOBACCO PLC	Sue Farr; Ann Godbehere; Christine Morin-Postel	Richard Burrows
33	27.3	11	3	BHP BILLITON PLC	Anita Frew; Carolyn Hewson; Baroness Vadera	Jacques Nasser
33	27.3	11	3	DCC PLC	Roisin Brennan; Dr. Pam Kirby; Jane Lodge	John Moloney
33	27.3	11	3	NATIONAL GRID PLC	Nora Brownell; Therese Esperdy; The Rt. Hon. Ruth Kelly	Sir Peter Gershon
33	27.3	11	3	INTU PROPERTIES PLC	Adèle Anderson; Parekh Goss-Custard; Lady Louise Patten	David Burgess
33	27.3	11	3	SMITH & NEPHEW PLC	Vinita Bali; The Rt. Hon. Baroness Virginia Bottomley of Nettlestone; Julie Brown	Roberto Quarta
33	27.3	11	3	ROYAL DUTCH SHELL PLC	Euleen Goh; Linda Stuntz; Pat Woertz	Chad Holliday Jr
33	27.3	11	3	BAE SYSTEMS PLC	Elizabeth Corley; Dr. Harriet Green; Paula Reynolds	Sir Roger Carr
33	27.3	11	3	RECKITT BENCKISER GROUP PLC	Mary Harris; Dr. Pam Kirby; Judy Sprieser	Adrian Bellamy
45	25.0	12	3	RIO TINTO PLC	Megan Clark; Ann Godbehere; Anne Lauvergeon	Jan du Plessis
45	25.0	12	3	ANGLO AMERICAN PLC	Dr. Judy Dlamini; Dr. Mphu Ramatlapeng; Anne Stevens	Sir John Parker
45	25.0	8	2	SAGE GROUP PLC	Inna Kuznetsova; Ruth Markland	Donald Brydon
45	25.0	12	3	COMPASS GROUP PLC	Carol Arrowsmith; Susan Murray; Ireena Gopal Vittal	Paul Walsh
45	25.0	12	3	ROYAL BANK OF SCOTLAND GROUP PLC	Alison Davis; Penny Hughes; The Rt. Hon. Baroness Sheila Noakes	Sir Howard Davies
45	25.0	8	2	WM MORRISON SUPERMARKETS PLC	Reverend Paula Vennells; Belinda Richards	Andy Higginson

45	25.0	12	3	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA (IAG)	Maria Campuzano; Baroness Denise Kingsmill; Dame Marjorie Scardino	Antonio Romero
45	25.0	8	2	REXAM PLC	Ros Rivaz; Johanna Waterous	Stuart Chambers
45	25.0	12	3	BRITISH LAND CO PLC	Professor Lynn Gladden; Laura Wade-Gery; Lucinda Bell	John Gildersleeve
45	25.0	8	2	BARRATT DEVELOPMENTS PLC	Tessa Bamford; Nina Bibby	John Allan
45	25.0	8	2	PERSIMMON PLC	Rachel Kentleton; Marion Sears	Nicholas Wrigley
45	25.0	8	2	PROVIDENT FINANCIAL PLC	Alison Halsey; Manjit Wolstenholme	Manjit Wolstenholme
45	25.0	8	2	UNITED UTILITIES GROUP PLC	Dr. Catherine Bell; Sara Weller	Dr. John McAdam
45	25.0	8	2	DIRECT LINE INSURANCE GROUP PLC	Jane Hanson; Clare Thompson	Mike Biggs
45	25.0	8	2	ITV PLC	Mary Harris; Anna Manz	Stephen Hewett
45	25.0	12	3	BARCLAYS PLC	Diane Marie De Saint Victor; Dr. Dambisa Moyo; Diane Schueneman	John McFarlane
45	25.0	8	2	TRAVIS PERKINS PLC	Ruth Anderson; Coline McConville	Bob Walker
62	23.1	13	3	AVIVA PLC	Claudia Arney; Patricia Cross; Belén Romana Garcia	Sir Adrian Montague
62	23.1	13	3	LLOYDS BANKING GROUP PLC	Anita Frew; Deborah McWhinney; Sara Weller	Lord Norman Blackwell
62	23.1	13	3	BP PLC	Cynthia Carroll; Dame Ann Dowling; Paula Reynolds	Carl-Henric Svanberg
62	23.1	13	3	BERKELEY GROUP HOLDINGS PLC	Diana Brightmore-Armour; Alison Nimmo; Veronica Wadley	Tony Pidgley
62	23.1	13	3	VODAFONE GROUP PLC	Dame Clara Furse; Val Gooding; Renée James	Gerard Kleisterlee
62	23.1	13	3	DIXONS CARPHONE PLC	Andrea Joosen; Baroness Sally Morgan of Huyton; Katie Bickerstaffe	Sir Charles Dunstone
68	22.2	9	2	BUNZL PLC	Vanda Murray; Eugenia Ulasewicz Labbancz	Philip Rogerson
68	22.2	9	2	INFORMA PLC	Helen Owers; Cindy Rose	Derek Mapp
68	22.2	9	2	ASSOCIATED BRITISH FOODS PLC	Emma Adamo; Ruth Cairnie	Charles Sinclair
68	22.2	9	2	CARNIVAL PLC	Debra Kelly-Ennis; Laura Weil	Micky Arison
68	22.2	9	2	MONDI PLC	Anne Quinn; Dominique Reiniche	Fred Phaswana & David Williams (Joint Chairs)

68	22.2	9	2	RANDGOLD RESOURCES LTD	Safiatou Ba-N'Daw; Jeanine Mudiayi	Christopher Coleman
68	22.2	9	2	ST. JAMES'S PLACE PLC	Sarah Bates; Baroness Patience Wheatcroft of Blackheath	Sarah Bates
68	22.2	9	2	TAYLOR WIMPEY PLC	Dame Kate Barker; Baroness Margaret Ford of Cunninghame	Kevin Beeston
68	22.2	9	2	IMPERIAL BRANDS PLC	Karen Witts; Alison Cooper	Mark Williamson
68	22.2	9	2	JOHNSON MATTHEY PLC	Odile Desforges; Dorothy Thompson	Tim Stevenson
78	21.4	14	3	ROLLS-ROYCE HOLDINGS PLC	Ruth Cairnie; Irene Dörner; Jasmin Staiblin	Ian Davis
78	21.4	14	3	STANDARD CHARTERED PLC	Gay Evans; Christine Hodgson; Jasmine Whitbread	Sir John Peace
80	20.0	10	2	SCHRODERS PLC	Rhian Davies; Nichola Pease	Michael Dobson
80	20.0	10	2	ARM HOLDINGS PLC	Lawton Fitt; Janice Roberts	Stuart Chambers
80	20.0	10	2	ASHTED GROUP PLC	Lucinda Riches; Suzanne Wood	Chris Cole
80	20.0	15	3	SABMILLER PLC	Lesley Knox; Dr. Dambisa Moyo; Helen Weir	Jan du Plessis
80	20.0	10	2	RSA INSURANCE GROUP PLC	Kath Cates; Johanna Waterous	Dr. Martin Scicluna
80	20.0	10	2	EXPERIAN PLC	Deirdre Mahlan; Judy Sprieser	Don Robert
80	20.0	10	2	HAMMERSON PLC	Gwyn Burr; Judy Gibbons	David Tyler
87	18.8	16	3	PRUDENTIAL PLC	Ann Godbehere; Alice Schroeder; Penny James	Paul Falzon Sant Manduca
88	18.2	11	2	PADDY POWER BETFAIR PLC	Zillah Byng-Thorne; Danuta Gray	Garry McGann
88	18.2	11	2	SKY PLC	Tracy Clarke; Adine Axén	James Murdoch
90	16.7	12	2	INMARSAT PLC	Dr. Kathleen Flaherty; Ambassador Janice Obuchowski	Andy Sukawaty
90	16.7	12	2	BABCOCK INTERNATIONAL GROUP PLC	Professor Victoire De Margerie; Anna Stewart	Mike Turner
90	16.7	12	2	CENTRICA PLC	Lesley Knox; Margherita Valle	Rick Haythornthwaite
90	16.7	12	2	FRESNILLO PLC	Barbara Gonda de Braniff; María Larregui	Dr. Alberto González
94	15.4	13	2	COCA-COLA HBC AG	Sola David-Borha; Alexandra Papalexopoulou-Benopoulou	Anastassis David
95	12.5	8	1	GLENCORE PLC	Patrice Merrin	Dr. Tony Hayward

96	11.1	9	1	GKN PLC	Shonaid Jemmett-Page	Mike Turner
96	11.1	9	1	WORLDPAY GROUP PLC	Deanna Oppenheimer	Sir Mike Rake
98	9.1	11	1	MEDICLINIC INTERNATIONAL PLC	Nandi Mandela	Dr. Edwin de la Harpe Hertzog
98	9.1	11	1	LONDON STOCK EXCHANGE GROUP PLC	The Hon. Mary Schapiro	Donald Brydon
98	9.1	11	1	ANTOFAGASTA PLC	Vivianne Blanlot Soza	Jean-Paul Fontbona

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I N T R O D U C T I O N





The 29th of October 2015 was a real flashpoint in progressing women into the top UK boardrooms. On that day Lord Davies launched his closing report showing that women made up 26.1% of the corporate boards of the FTSE 100 companies and there were no longer any all-male boards. The UK's journey to this remarkable point has been discussed widely across the world, particularly in the USA where the UK has become a role model on how to achieve gender diversity on corporate boards without imposing quotas.

However, behind that incontrovertible success lie several lingering concerns:

- 26.1% was the average percentage of women across the FTSE 100 boards. Lord Davies had, in fact, set a target of 25% for each board. Only 55 boards had actually met or exceeded the target by October 2015.
- The vast majority of the new appointments going to women were for Non-Executive Directorships. There has been little progress made in the number of Executive Directorships going to women. Only 9.6% of Executive Directorships were held by women in October 2015, compared to 5.5% in 2010.

In this new 2016 report we are disappointed to observe that the 26.1% average of women on FTSE 100 boards has slipped back stalling at 26.0%. The difference in numbers is minor, but it is the first time figures have stagnated since 2011. Since 2013 we have also seen a consistent rise of over 30% of new appointments going to women. This was accompanied by an average turnover of 14% in board seats across the FTSE 100. This year turnover has also slipped back to 13%. So instead of seeing any progress since October 2015 we have plateaued on a number of important metrics. As we move into the post Lord Davies stage of focusing on the development of the female executive pipeline under the stewardship of Sir Philip Hampton and Dame Helen Alexander, we must take care not to think it is 'job done' with regard to the number of women on boards. It is clear that regular reporting and public disclosure are essential to nudging progress. We are happy to play our role in this vital process.

In terms of reporting, what we learned over the Lord Davies period is that it is important to keep the metrics simple. We focused on: annual turnover of directorships, % new appointments going to women, and % women on the boards, separating out the NEDs from the EDs. When we identified blockages, again, we tried to translate them into easily identifiable goals, such as the reduction in the number of directors sitting on FTSE 100 boards with tenure over nine years. Last year we analysed the different sectors across the FTSE 100 and demonstrated that there was no excuse to use sector as a reason for not appointing women to the board. This year we see a number of the companies, which last year we highlighted as having less than 25% women on their boards, now meeting or exceeding the target.

Simple metrics are worth keeping in mind as we move into the much more complex and challenging task of increasing the number of women in the executive pipeline. Research must find clear ways of showing Chairmen and CEOs actions they can take that will materially help to advance women and improve business performance. Targets could be set for the percentage of women on Executive Committees. This is an easy focus as we all agree who is on the Executive Committees, albeit that the data are not easily available. Whilst this might seem like a focus on the elite, we would argue that in order to reform the Executive Committees, CEOs would have to pay considerable attention to how to develop a sufficient number of women at lower levels in the company, in order to have a critical mass at the executive level. Whatever the methodology, much greater consultation and intervention will be required to impact on CEO thinking and action.

As we take stock of the situation in the UK now, we ask ourselves "why does progress across the FTSE companies vary so much?" We think there are four main reasons:

- Firstly, it seems clear that gender diversity is not a strategic priority in all companies. The business case is well rehearsed now so it is really important for the Chairmen and CEOs who comprehend the message to mentor their less enlightened peers.
- Secondly, the focus in many organizations is a women's leadership programme. As a pioneer of such programmes at Cranfield University, we fully endorse them, but only when they are seen as organizational change programmes. Recently a company that has been a huge champion of gender diversity claimed that women's leadership programmes are important in order to develop women into better leaders and help them feel more supported by the organizational culture. We strongly caution against this individual focus on women, as the problem is systemic and cultural. Women's leadership programmes represent a partnership between the organization's talented women and the organization's leaders in which women learn how best to move their careers forward and the leaders understand how their organizations' gendered structures, processes and behaviours hinder women and must be changed. The latter is an essential ingredient in the programme. Maybe calling these programmes women's leadership programmes communicates the wrong messages. We were fascinated to see that GSK call their programme 'Accelerating Difference' and invite other companies to consider reframing these initiatives as culture change programmes rather than women's programmes.
- Thirdly, and following on from the last point, it is vital that men are involved and engaged in the change. Sponsoring should not fall exclusively to the senior women. It should be led by the many men who are Chairmen and CEOs. Peninah Thomson's many years of work with The Mentoring Foundation is a fantastic testament to this point.
- Lastly, on the back of the success of Lord Davies' target, there has been much research (some of which we have led) and activity in this area – so much so, that we have taken 'targets' as a theme in this report. In the final section we discuss targets and feature case studies of companies that have incorporated targets as an important part of their change programme.



I am greatly encouraged by the significant progress in increasing the number of women on FTSE boards over the last five years – as we approach the minimum 30% target for FTSE 100 boards it's essential that companies maintain their focus and sharpen their efforts, and that government continues to support and spotlight the issue. Above all it's critical that we see a higher percentage of female Executive Directors in order to ensure that progress to date is sustainable, and I warmly welcome this report's focus on Executive Committees. The 30% Club has already turned its attention to this by setting a new and ambitious target of 30% at Executive

Committee level for FTSE 100 companies by 2020. In order to reach that target the pipeline must now become a key area of focus because we know that to have effective boards and senior management teams we need healthy pipelines throughout organizations. There is still much work to do.

Brenda Trenowden

30% Club Global Chair & Head of Financial Institutions
Europe, ANZ



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M E T H O D O L O G Y



The main data from the FTSE 100 and FTSE 250 listings and the figures in this report were taken from BoardEx on June 1st 2016, including the headline figures for the percentages of directorships. In order to maintain consistency of six monthly data over the past five years, data on new appointments and other metrics (age, tenure, multiple directorships) were taken on March 1st. Data on FTSE 100 Executive Committee composition were collected from publicly available data and annual reports between February 1st and March 25th 2016. Data on Executive Committees is not always readily available or fully up to date on company websites, so in addition we wrote to Company Secretaries of the FTSE 100 to verify data. We would like to thank all those who responded for their co-operation in providing data.

0 3

F T S E 1 0 0
C O M P A N I E S





3.1 FTSE 100 COMPANIES WITH FEMALE DIRECTORS

We are pleased to present again year-on-year improvements on key indicators of progress of women on boards. As of 1st June 2016, there are 279 female held directorships across the FTSE 100 boardrooms. The percentage of women on FTSE 100 boards in March has increased to 26.0%, up from 23.5% last year, but stagnant compared to the 26.1% recorded in the Lord Davies closing report in October 2015.

The percentage of female Non-Executive Directors (NEDs) has increased to 31.4% and that of the Executive Directors (EDs) to 9.7%. Two hundred and forty four women now hold 279 FTSE 100 directorships.

TABLE 1: FTSE 100 DIRECTORSHIPS 2012-2016

	2016	2015	2014	2013	2012
Female held directorships	279 (26.0%)	263 (23.5%)	231 (20.7%)	194 (17.3%)	163 (15.0%)
Female executive directorships	26 (9.7%)	24 (8.6%)	20 (6.9%)	18 (5.8%)	20 (6.6%)
Female non-executive directorships	253 (31.4%)	239 (28.5%)	211 (25.5%)	176 (21.6%)	143 (22.4%)
Total female directors (NED & ED)*	244	233	205	169	141
Companies with female executives	20	22	18	17	17
Companies with at least one female director	100	100	98	93	89
Companies with at least 25% female directors	61	41	36	25	15
Companies with at least 27% female directors	44				
Companies with at least 33% female directors	19				

*The total number of female directors is lower than the number of female-held directorships because some women hold more than one directorship.

Sixty one companies in the FTSE 100 have now reached the 25% target, which was set for 2015. If companies are to reach the target of 33% by 2020 they need to be aspiring to 27% this year. Forty four companies in the FTSE 100 have met or exceeded this new target. In top place is Diageo with 45.5% women on their board, up from 35.7% last year. In second place are Next and Kingfisher, each with 44.4% women on their boards. Four new companies joined the FTSE 100 listing with over 27% women on their boards- Merlin Entertainments (33.3%), DCC (27.3%), Provident Financial (25.0%), and Relx Plc (30%). A number of companies rose significantly in the ranking, notably Hargreaves Lansdown (55 places), British Land (52 places), BHP Billiton (51 places), EasyJet (44 places), and BAE Systems (33 places).

Last year we carried out a sectoral analysis of the FTSE 100 companies, giving examples of companies that had met the 25% target and examples of companies that had still not met it in each sector.

Congratulations to the five companies who have now met or exceeded the 25% target in the past year. They are Compass Group, British Land, Intu Properties, EasyJet and Shire.

3.1.1 FTSE 100 COMPANIES WITH WOMEN IN EXECUTIVE ROLES

The percentage of women in executive directorships has risen slightly to 9.7% in 2016. This year there are 26 women holding executive roles in 20 companies. Although there is a slight increase in the number of women, the number of companies with women in executive directorship roles has decreased from 22 in 2015. Six companies have two women in executive directorships. They are Capita, Kingfisher, Marks & Spencer Group, Next, Severn Trent, and Whitbread. To contextualize these figures: there are only 26 women in executive directorships against a total of 270 executive directorships across the FTSE 100, only 20% of FTSE 100 companies have any women in executive directorships and of the 50 new executive directorship appointments until June 2016, only six (12%) went to women. It is worth reminding ourselves that for the FTSE 100 companies to reach their target of 25% women on their boards by 2015 from a base of 12.5% in 2011, one in three new board directorships had to go to women. The pace of appointing women into executive directorships is clearly behind.

TABLE 2: THE 20 FTSE 100 COMPANIES WITH FEMALE EXECUTIVE DIRECTORS

Rank	Company	Female Board %	No. Fem Directors	No. Fem EDs	Executive Roles	Sector	Women in Executive Roles
1	DIAGEO PLC	45.5%	5	1	CFO	Beverages	Kathy Mikells
2	KINGFISHER PLC	44.4%	4	2	Group CEO, CFO/FD	General Retailers	Véronique Laury-Deroubaix, Karen Witts
2	NEXT PLC	44.4%	4	2	GFD, Group Director - Sales/Mktg	General Retailers	Amanda James, Jane Shields
5	WHITBREAD PLC	40.0%	4	2	CEO, Group HR Director	Leisure & Hotels	Alison Brittain, Louise Smalley
7	OLD MUTUAL PLC	38.5%	5	1	GFD	Life Assurance	Ingrid Johnson
8	3i GROUP PLC	37.5%	3	1	GFD	Private Equity	Julia Wilson
8	ROYAL MAIL PLC	37.5%	3	1	CEO	Transport	Moya Greene
10	MARKS & SPENCER GROUP PLC	36.4%	5	2	CFO, ED	General Retailers	Laura Wade-Gery; Helen Weir,
10	BURBERRY GROUP PLC	36.4%	4	1	CFO	General Retailers	Carol Fairweather
20	TUI AG	32.0%	8	1	Board Member - HR	Leisure & Hotels	Elke Eller-Braatz
22	CRH PLC	30.8%	4	1	Group Transformation Director	Construction & Building Materials	Maeve Carton
24	CAPITA PLC	30.0%	3	2	Joint COO, ED - Business Development	Business Services	Maggi Bell, Dawn Marriott-Sims,
24	EASYJET PLC	30.0%	3	1	CEO	Leisure & Hotels	Dame Carolyn McCall
24	SEVERN TRENT PLC	30.0%	3	2	CEO, ED	Utilities - Other	Dr. Emma Fitzgerald, Liv Garfield
33	SMITH & NEPHEW PLC	27.3%	3	1	CFO	Health	Julie Belita Brown
46	BRITISH LAND CO PLC	25.0%	3	1	CFO/FD	Real Estate	Lucinda Bell
62	DIXONS CARPHONE PLC	23.1%	3	1	Regional CEO	Telecommunication Services	Katie Bickerstaffe
68	IMPERIAL BRANDS PLC	22.2%	2	1	CEO	Tobacco	Alison Cooper
80	ASHTED GROUP PLC	20.0%	2	1	FD	Business Services	Suzanne Wood
87	PRUDENTIAL PLC	18.8%	3	1	Group Chief Risk Officer	Life Assurance	Penny James

In terms of the particular executive roles that the women have, six are CEOs and ten are CFOs/GFDs. The remainder are in a variety of roles ranging from COO, Regional CEO, Sales and Marketing, Chief Risk Officer, Human Resources and Group Transformation Director. Later on in this report we look at all the roles filled by women on the Executive Committees of the FTSE 100 companies. The lack of women in executive directorships is a reflection of inadequate talent management and promotion practices, and the choices women make in their careers (which in turn are influenced by organizational talent management and promotion processes). It is interesting to note that of the 20 companies with women in executive directorships 16 of them have 25% or more women on their boards, which indicates a positive link between appointing women into both NED and ED roles. In order to improve the number of women in the executive pipeline, effort must be invested in all these areas.

There are now four women holding the Chairman role in the FTSE 100.

They are:

- Dame Alison Carnwath – Land Securities
- Susan Kilsby – Shire
- Sarah Bates – St. James’s Place
- Manjit Wolstenholme – Provident Financial

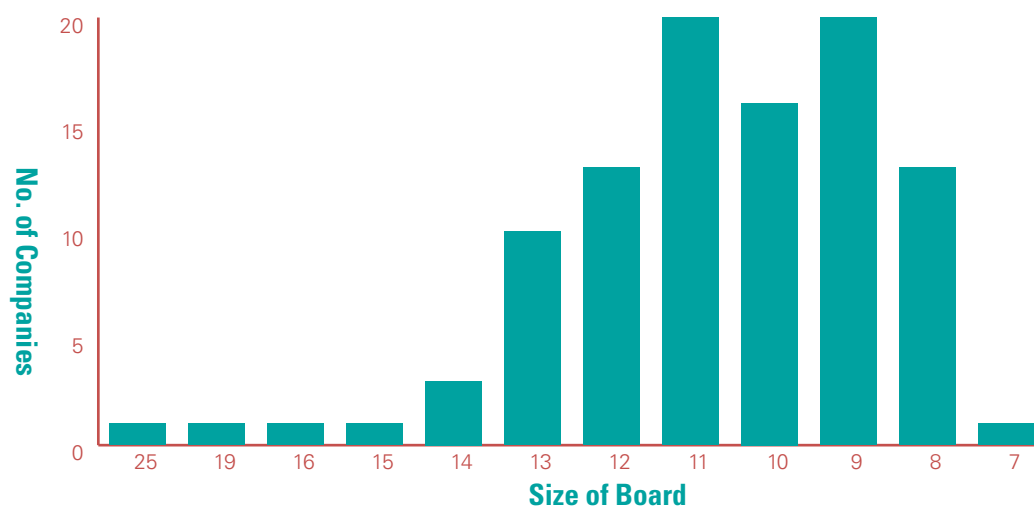
Although this number is still very low, we are pleased to see an increase in the number of women holding Senior Independent Director (SID) positions, as this role is often considered to be the ‘Chairman-in-waiting’ role. There are 12 women holding 13 SID roles in the FTSE 100. They are:

- Vivienne Cox – Pearson
- Ann Fudge – Unilever
- Rachel Lomax – HSBC
- Ruth Markland – Sage
- Christine Morin-Postel – British American Tobacco
- Orna Ni-Chionna – Royal Mail
- Anne Quinn – Mondi
- Gillian Sheldon – Capita
- Nicole Seligman – WPP
- Baroness Shriti Vadera – BHP Billiton
- Johanna Waterous – Rexam and RSA Insurance Group
- Julia Wilson – Legal & General Group

3.1.2 Trends in Board Composition

Whilst the average FTSE 100 board size is 10.7 directors, we see that the size of boards varies tremendously from 7 to 25.

TABLE 3: RANGE OF FTSE 100 BOARD SIZE



In total there are 1074 FTSE 100 directorships, of which 268 are EDs and 806 are NEDs. Both the total number of directorships and the number of EDs are at their lowest since 2012. On average there are 2.68 EDs on a board and 8.06 NEDs. Whilst appreciating that the population of companies making up the FTSE 100 changes a little each year, thus accounting in part for the different numbers, it does suggest that many companies could consider enlarging their boards and appointing women into the newly created capacity. Twenty nine FTSE 100 companies with less than 27% women on their boards have fewer than 11 directors on their boards.

TABLE 4: FTSE 100 BOARD COMPOSITION 2008-2016

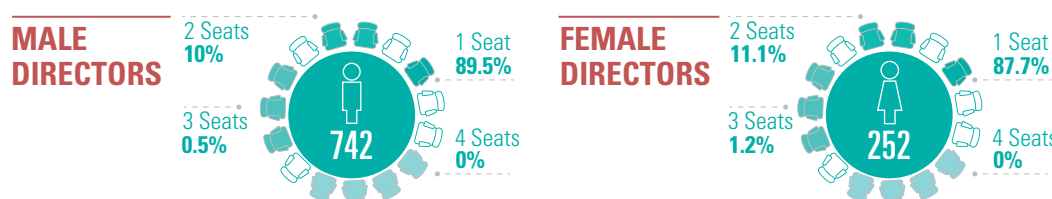
	2016	2015	2014	2013	2012	2010	2009	2008
No. of FTSE 100 NEDs	806	838	826	805	781	751	748	763
No. of FTSE 100 EDs	268	279	291	307	305	325	330	353
Total FTSE 100 Directorships	1074	1117	1117	1112	1086	1076	1078	1116

3.2 THE FTSE 100 FEMALE DIRECTORS

3.2.1 Multiple Directorships, Age and Tenure

Each year we analyse multiple directorships. From Table 5, we see that despite significant increases in the numbers of female-held directorships, we do not have a situation whereby certain women are appointed to multiple positions on boards. This shows how the past five years has seen an expansion in the talent pool of available women.

TABLE 5: MULTIPLE DIRECTORSHIPS



As has been the case for many years, the average age of female directors is approximately two years younger than that of their male counterparts. The higher male figure is due to a wider range (from 35 to 84 years) with over 50 directors aged 70 or over. The women range in age from 40 to 70, with only one woman aged 70.

Women’s tenure is, again as in previous years, less than men’s tenure in both ED and NED positions, particularly in the former with an average of 3.2 years compared to 6.3 years. This significant difference is not surprising, given the past 18 months has seen the largest increase in female EDs ever. It also reflects the relatively recent nature of women’s appointments into ED positions (e.g. the first female CEO in the FTSE 100 was Marjorie Scardino in 1997). Again, the average figures hide the variance in range, with men holding ED roles for up to 40 years, whereas the longest serving female is just under 9 years.

TABLE 6: FTSE 100 DIRECTORSHIPS BY AGE AND TENURE

Directors	Age			Tenure		
	All	EDs	NEDs	All	EDs	NEDs
Men	58.9	53.7	61.4	5.4	6.3	4.9
Women	56.5	51.2	57	3.6	3.1	3.6

In the past year there were 11 new CEOs appointed, of whom only one was a woman. At this rate it is hard to see how Egon Zehnder will meet their challenge of having 25 female CEOs across the FTSE 100 companies achieved by 2025.²

In terms of tenure, it is not surprising to see a significant difference in the average tenure between male and female EDs given that the past 18 months has seen the biggest increase in female EDs ever. Again, the average figures hide the variance in range, with men holding ED roles for up to 40 years, whereas the longest serving female ED is just under 9 years.

Last year we drew attention to the large number of NEDs who had sat on their boards for more than the nine years recommended by the governance codes thus compromising their 'independence'. The figures have not changed much this year and there are still 69 men and 15 women, including 20 male and two female Chairmen. There are 11 companies with three or more NEDs serving more than nine years, which could be evaluated as making the independence of the board questionable. The long tenure of many male NEDs explains the difference in average tenures for NEDs. Male NED tenure ranges from 0 to over 53 years, whereas the longest serving female NED clocks 12.6 years.

3.3 PACE OF CHANGE

We have been measuring the pace of change in March and September since 2012. As of 1st March 2015 there were 23.5% women on FTSE 100 boards. Our estimated trajectory indicated that by March 2016 we should have 26.2% women directors. However, the increase in women directors on FTSE 100 boards exceeded our trajectory in October 2015, when we estimated 25.2% and 26.1% was actually achieved. Thus it is disappointing to see that that the figure is 26.0% in June 2016. As Table 7 shows, the percentage of new appointments going to women in the six months from September 2015 to March 2016 was only 24.7%, the lowest since September 2011. There was also a drop in the turnover of directors, down to 13% after an average of 14% - 17% in the years since 2011. Although the appointment rate fluctuated, over the period 2011-2015 it did average out at 33%. It is vital that we return to this pace of change.

One explanation for this slower pace of change is that there was a 'big push' in 2015 to hit the target of 25%, which was successful, but then led to a relaxation in the effort to sustain momentum. Whilst in some respects this is understandable, the figures also reveal that without a concerted effort and a regular spotlight on the figures, we risk inertia setting in and a return to the years of incremental increases. In the 2015³ report, interviews with key stakeholders in the change process (Chairmen, CEOs, headhunters, institutional investors and subject experts) expressed as much.

TABLE 7: FTSE 100 NEW APPOINTMENTS ACROSS 6 MONTHS 2011-2016

	Mar-16	Sep-15	Mar-15	Sep-14	Mar-14	Sep-13	Mar-13	Sep-12	Mar-12	Sep-11
New female appointments	18	27	25	27	33	20	19	26	21	21
New male appointments	55	47	54	58	60	53	53	33	55	72
Total new appointments	73	74	79	85	93	73	72	59	75	93
Female % of new appointments	24.7%	36.5%	31.6%	31.8%	35.5%	27.4%	25.7%	44.1%	28%	22.5%

“We have to keep it going because it’s not yet embedded...the dialogue has to change to talent management; getting the best out of people, and risk management”

— FTSE 100 CEO

3.4 EXECUTIVE COMMITTEES

3.4.1 The Role and Importance of Executive Committees

As has been identified in this report and in the Davies Review reports, in order to sustain an increasing balance of women holding corporate board directorships, the proportion of women in the executive pipeline needs to substantially increase. This year, we are expanding the focus of our report below the board, in order to examine gender balance at Executive Committee level.

The Executive Committee (also known as the Leadership Executive, Group Management Board, Senior Executive Team, or similar names) is the most senior management rank below board level. It typically comprises the Executive Directors from the board and senior executives of the company who report directly to the CEO or CFO (in many cases this includes the Company Secretary), but it excludes the Chairman and non-executive board members. The Executive Committee meets monthly or twice a month and its main remit is to provide daily oversight of the company's strategic, financial, reputational and commercial affairs. Generally, the Executive Committee as a group has reporting responsibilities to the board, but not executive authority in its own right. However, Executive Committee members have significant authority within their respective remits and they are effectively the most senior executives in charge of the daily direction and control of the business. Therefore Executive Committees provide the main pipeline of board-ready talent, so gender balance at Executive Committee level will ultimately be reflected in more gender-balanced boards.

3.4.2 Monitoring the Composition of Executive Committees

One of the challenges around monitoring gender composition at Executive Committee level is that there is no mandatory reporting of this information and data are not uniformly available. This issue was raised in the recent April 2016 BIS Consultation on the Non-Financial Reporting Directive, discussing the definitions of "Senior Management".

In this section, we report on the proportion of women holding positions on the FTSE 100 Executive Committees and on the types of roles held by these women. We collected our data from company websites and annual reports. We also wrote to each Company Secretary individually requesting the information and we wish very much to thank those who responded to that letter. In the end we collated data for 80 of the FTSE 100 companies. For consistency, we included in our Executive Committee reporting the role of Company Secretary. The 20 companies whose data are not publicly available, who did not respond to our letter, or who did respond but did not want their data included are:

Ashstead Group; Associated British Foods, Berkeley Group Holdings; Capita; Compass Group; CRH; Glencore; GKN; Rexam; Johnson Matthey; National Grid; Next; Pearson; Persimmon; Provident Financial; Prudential; Smiths Group; Sports Direct; St. James's Place; and WPP.

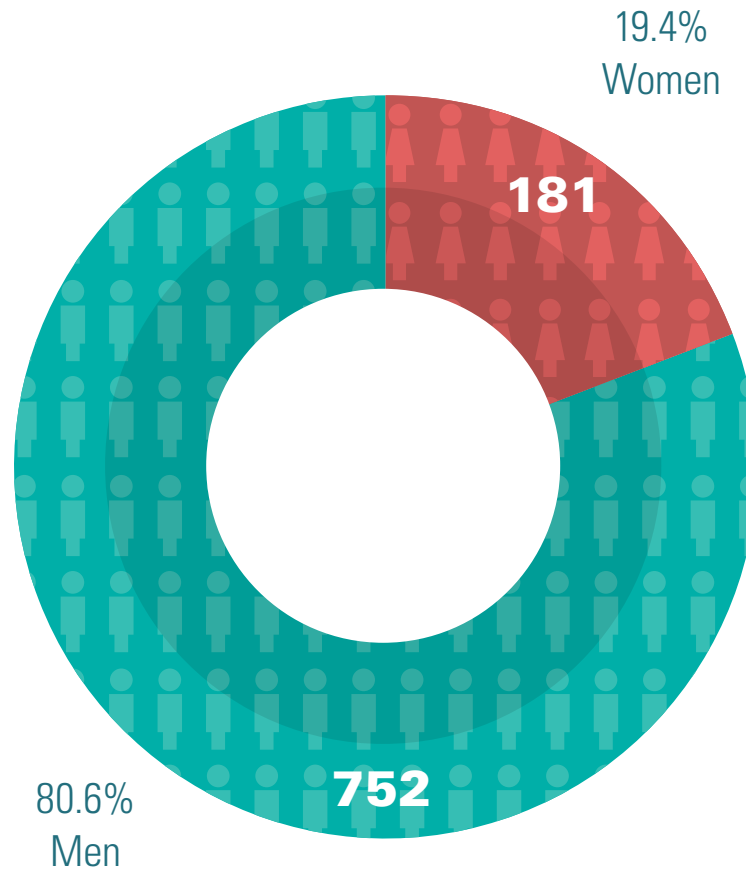
“Without a clear centre of energy for this issue...all the gains could be threatened or lost”

— Subject Expert

3.4.3 Current Trends on FTSE 100 Executive Committees

As can be seen from Figure 1 and Table 8, in the 80 companies for whom we obtained data, overall 19.4% (179 of 921) of Executive Committee members are female. This signals a shortage of women in top senior roles. In the long run, this shortage will make it difficult to reach and sustain the target of 33% women on boards set by the government in October 2015.

FIGURE 1. GENDER COMPOSITION OF FTSE 100 EXECUTIVE COMMITTEES



The average size of the Executive Committee is 11.6 members, but ranges from 5 to 23. We found a positive significant correlation between size and diversity of Executive Committees, with larger ones tending to be more gender balanced ($r=.54$, $p<.01$).

We congratulate the 12 companies who have 30% or more women on the Executive Committee, seven of whom have female Executive Directors. Twenty FTSE 100 companies have female EDs and half (10) of these are ranked in the top 20 of the list below. Female leadership does make a positive difference to the likelihood of having more women on the Executive Committee.

TABLE 8: FTSE 100 EXECUTIVE COMMITTEES

Rank	Company	No. of EDs	Size of ExCo	No. of Fem total	% Fem ExCo	Female Exec Directors	Female Senior Executives & Company Secretaries
1	KINGFISHER PLC	2	7	5	71.4%	Véronique Laury - Chief Executive Officer Karen Witts - Chief Financial Officer	Clare Wardle - Company Secretary Emily Lawson - Chief People Officer Arja Taaveniku - Chief Offer & Supply Chain Officer
2	SEVERN TRENT PLC	2	10	6	60.0%	Liv Garfield - Chief Executive Officer	Bronagh Kennedy - General Counsel and Company Secretary Emma FitzGerald - Managing Director, Wholesale Operations Evelyn Dickey - Director of Human Resources Sarah Bentley - Chief Customer Officer Helen Miles - Group Commercial Director
3	EASYJET PLC	2	10	5	50.0%	Dame Carolyn McCall - Chief Executive Officer	Kyla Mullins - General Counsel and Director of Regulation & Corporate Governance Cath Lynn - Group Commercial Director: Markets, Network & Pricing Rachel Kentleton - Group Director Strategy and Implementation Jacky Simmonds - Group People Director
4	DIAGEO PLC	2	17	7	41.2%	Kathryn Mikells - Chief Financial Officer	Charlotte Lambkin - Corporate Relations Director Deirdre Mahlan - President, Diageo North America Anna Manz - Group Strategy Director Siobhan Moriarty - General Counsel Mairéad Nayager - Human Resources Director Syl Saller - Chief Marketing Officer
5	STANDARD CHARTERED PLC	3	15	6	40.0%		Liz Anne Lloyd - Group Company Secretary Tracy Clarke - Director, Compliance, People and Communications, Regional CEO, Europe and Americas Doris Honold - Group Chief Operating Officer Pam Walkden - Interim Group Chief Risk Officer Karen Fawcett - CEO Retail Anna Marrs - Group Head, Commercial and Private Banking Clients Banking

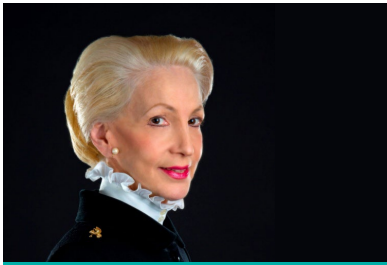
							Charlotte Bennett, - Head of IT Lorna Connelly - Head of Claims Claire-Anne Coriat - Head of Marketing and New Products Emma Enos - Head of New Business Cristina Nestares - Head of Motor Louise O'Shea - Head of Investor Relations & Business Development Louisa Scadden - Head of Communications Linda Wells - Head of Underwriting
6	ADMIRAL GROUP PLC	3	23	8	34.8%		Kirsty Cooper - Group General Counsel/Company Secretary Angela Darlington - Group Chief Risk Officer Sarah Morris - Chief People Officer Monique Shivanandan - Chief Information Officer
7	AVIVA PLC	2	12	4	33%		Emily Wai Pang - Chief of Staff/ Company Secretary Maaik de Bie - Acting General Counsel Catherine Doran - Chief Information Officer Sue Whalley - Chief Operations Officer
7	ROYAL MAIL PLC	2	15	5	33.3%	Moya Greene - Chief Executive Officer	Sue Ames-King - Business Retail Director Sally Cabrini - Business Services Director Gaynor Kenyon - Corporate Affairs Director
7	UNITED UTILITIES GROUP PLC	2	9	3	33.3%		Barbara Heim - Interim Executive Vice President, People Katie Jackson - Executive Vice President, Global Strategy and Business Development Sinead Lynch - Executive Vice President, Safety and Sustainability
10	BG GROUP PLC	2	10	3	30.0%		Elaine Williams - General Counsel/ Company Secretary Sally Jones - Head of Strategy and Investor Relations
10	BRITISH LAND CO PLC	4	10	3	30.0%	Lucinda Bell - Chief Financial Officer	Anne Billson-Ross - Group Human Resources Director Jennie Daly - Land Director Ingrid Skinner - Managing Director, Central London
10	TAYLOR WIMPEY PLC	3	10	3	30.0%		Katarina Ageborg - Chief Compliance Officer Pam Cheng - Executive Vice-President, Operations and Information Technology Fiona Cicconi - Executive Vice-President, Human Resources Bahija Jallal - Executive ce-President, MedImmune
13	ASTRAZENECA PLC	2	14	4	28.6%		

13	LAND SECURITIES GROUP PLC	2	7	2	28.6%		Colette O'Shea - Managing Director, London Portfolio Diana Breeze - Group Human Resources Director
13	MARKS & SPENCER GROUP PLC	5	21	6	28.6%	Helen Weir - Chief Finance Officer Laura Wade-Gery	Amanda Mellor - Group Secretary and Head of Corporate Governance Florence De Boosere - Global Director of Store Environment & Product Presentation Tanith Dodge - Director of HR Belinda Earl - Style Director
13	WHITBREAD PLC	4	7	2	28.6%		Kirstine (Kirsty) Ann Cooper - Group General Counsel/Company Secretary Angela Darlington - Group Chief Risk Officer Sarah Morris - Chief People Officer Monique Shivanandan - Chief Information Officer
17	INTERTEK GROUP PLC	2	11	3	27.3%		Fiona Maria Evans - Group Company Secretary Ann-Michele Bowlin - Chief Information Officer Julia Thomas - Vice President, Corporate Development
17	SMITH & NEPHEW PLC	2	11	3	27.3%	Julie Brown - Chief Financial Officer	Susan Margaret Swabey - Company Secretary Elga Lohler - Chief Human Resources Officer
19	INMARSAT PLC	2	12	3	25.0%		Alison Horrocks - Executive VP/Secretary Debbie Jones - Executive VP - Corporate Development Responsibilities Include Human Resources Miriam Murphy - Group General Counsel
19	OLD MUTUAL PLC	3	12	3	25.0%	Ingrid Johnson - Group Finance Director	Sue Kean - Group Risk Officer Gail Klintworth - Group Customer Director and Responsible Business Lead
19	ROYAL BANK OF SCOTLAND GROUP PLC	2	12	3	25.0%		Aileen Taylor - Chief Corporate Officer/Company Secretary Alison Rose - Chief Executive, Commercial & Private Banking Elaine Arden - Chief HR Officer
19	SAINSBURY(J) PLC	2	8	2	25.0%		Angie Risley - Group HR Director Sarah Warby - Marketing Director
19	TESCO PLC	2	12	3	25.0%		Jill Easterbrook - Group Business Transformational Director Alison Horner - Chief People Officer Rebecca Shelley - Group Communications Director
24	BURBERRY GROUP PLC	3	17	4	23.5%	Carol Fairweather - Chief Financial Officer	Catherine Sukmonowski - Company Secretary Simona Cattaneo - Division Senior VP Beauty Sarah Manley - Chief Marketing Officer

25	GLAXOSMITHKLINE PLC	2	13	3	23.1%	Victoria Whyte - Company Secretary Claire Thomas - Senior Vice President, Human Resources Emma Walmsley - CEO, GSK Consumer Healthcare
25	SKY PLC	2	13	3	23.1%	Deborah Baker - Group Director for People Mai Fyfield - Chief Strategy Officer Catherine Hicks - Group Corporate Affairs Director
27	CARNIVAL PLC	2	22	5	22.7%	Julia Brown - Chief Procurement Officer Ann Sherry - Division CEO P&O Cruises Australia Christine Duffy - Division President Carnival Cruise Line Tara Russell - Division President President of Fathom and Global Impact Lead Jan Swartz - Division President Princess Cruise
28	INTU PROPERTIES PLC	2	9	2	22.2%	Susan Marsden - Group Company Secretary Kate Bowyer - Director of Finance
28	RECKITT BENCKISER GROUP PLC	2	9	2	22.2%	Deborah Yates - Senior Vice President, HR Christine Logan - Company Secretary
30	UNILEVER PLC	2	14	3	21.4%	Tonia Lovell - Chief Legal Officer/Secretary Amanda Sourry - President, Foods Ritva Sotamaa - Chief Legal Officer
31	BUNZL PLC	2	5	1	20.0%	Celia Baxter - Director of Group Human Resources
31	IMPERIAL BRANDS PLC	3	10	2	20.0%	Alison Cooper - Chief Executive Helen Clatworthy - Business Transformation Director
33	ROLLS-ROYCE HOLDINGS PLC	3	16	3	18.8%	Pamela Coles - Company Secretary Marion Blakey - President, CEO Rolls-Royce North America Mary Humiston - Human Resources Director
34	BHP BILLITON PLC	1	11	2	18.2%	Margaret Taylor - Group Company Secretary Athalie Williams - Chief People Officer
34	RIO TINTO PLC	2	11	2	18.2%	Ellie Evans - Company Secretary Debra Valentine - Group Executive, Legal & Regulatory Affairs
34	SAGE GROUP PLC	2	11	2	18.2%	Sandra Campopiano - Chief People Officer Anna Campopiano - Interim Chief Communications Officer
34	WORLDPAY GROUP PLC	4	11	2	18.2%	Victoria Hames - Company Secretary Ruth Prior - Deputy Chief Financial Officer

38	BAE SYSTEMS PLC	3	12	2	16.7%		Claire Divver - Group Communications Director Lynn Minella - Group Human Resources Director
38	DIXONS CARPHONE PLC	1	12	2	16.7%	Katie Bickerstaffe - Chief Executive UK & Ireland	Kate Ferry - Group IR, PR & Corp Affairs
38	HIKMA PHARMACEUTICALS PLC	1	12	2	16.7%		Majda Labadi - Corporate Vice President, Human Resources Susan Ringdal - Vice President, Corporate Strategy and Investor Relations
38	LLOYDS BANKING GROUP	3	12	2	16.7%		Mary Hall - Group Audit Director; Karin Cook - Group Director Operations
38	LONDON STOCK EXCHANGE GROUP PLC	3	12	2	16.7%		Lisa Condron - Group Company Secretary Diane Côté - Chief Risk Officer
38	MONDI PLC	3	6	1	16.7%		Carol Hunt - Company Secretary
38	SHIRE PLC	2	6	1	16.7%		Ginger Gregory - Chief Human Resources Officer
38	TRAVIS PERKINS PLC	2	12	2	16.7%		Deborah Grimason - General Counsel/Company Secretary Carol Kavanagh - Group Human Resources Director
38	TUI AG	6	12	2	16.7%	Dr Elke Eller-ED Human Resources	Doctor Hilka Schneider - Chief Compliance Officer/General Counsel/Company Secretary
47	DCC PLC	3	13	2	15.4%		Ann Keenan - Head of Human Resources, DCC Food & Beverage UK Ltd Yvonne Divilly - Head of Division Group Tax, DCC Food & Beverage UK Ltd
47	STANDARD LIFE PLC	4	13	2	15.4%		Lan Tu - Strategy Director Lynn Warren - Chief of Staff
49	BARRATT DEVELOPMENTS PLC	3	7	1	14.3%		Tina Bains - Group Company Secretary
49	HARGREAVES LANSDOWN PLC	2	7	1	14.3%		Judy Matthews - Company Secretary
49	VODAFONE GROUP PLC	2	14	2	14.3%		Rosemary Martin - Group General Counsel/Company Secretary Serpil Timuray - Regional CEO – Africa, Middle East and Asia Pacific Region
52	EXPERIAN PLC	3	15	2	13.3%		Joy Griffiths - Global Managing Director, Experian Decision Analytics Nadia Ridout-Jamieson - Director of Investor Relations and Communications
53	3i GROUP PLC	2	8	1	12.5%	Julia Wilson - Group Finance Director	
53	HAMMERSON PLC	4	8	1	12.5%		Sarah Booth - General Counsel/Company Secretary
53	SSE PLC	2	8	1	12.5%		Sally Fairbairn - Company Secretary and Director of Investor Relations
56	BT GROUP PLC	2	9	1	11.1%		Alison Wilcox - Group HR Director

56	CENTRICA PLC	4	9	1	11.1%	Jill Shedden - Group HR Director
56	INTERCONTINENTAL HOTELS GROUP PLC	2	9	1	11.1%	Angela Brav - Chief Executive, Europe
56	ITV PLC	2	9	1	11.1%	Mary Fagan - Group Communications and Corporate Affairs Director
56	LEGAL & GENERAL GROUP PLC	3	9	1	11.1%	Jackie Noakes - Chairman of Cofunds and Managing Director of Savings
56	WOLSELEY PLC	3	9	1	11.1%	Kath Durrant - Group HR Director
62	ABERDEEN ASSET MANAGEMENT PLC	5	20	2	10.0%	Kerry Christie - Global Head of Human Resources Mandy Pike - Global Head of Dealing
62	ANTOFAGASTA PLC	0	10	1	10.0%	Ana Maria Rabagliati - Vice President of Human Resources
62	COCA-COLA HBC AG	1	10	1	10.0%	Sanda Parezanovic - Group Human Resources Director
62	DIRECT LINE INSURANCE GROUP PLC	2	10	1	10.0%	Angela Morrison - Chief Information Officer
62	RELX PLC	2	10	1	10.0%	Kumsal Bayazit - Chief Strategy Officer
67	MERLIN ENTERTAINMENTS PLC	2	11	1	9.1%	Tea Colaiani - Group HR Director
67	SABMILLER PLC	2	11	1	9.1%	Sue Clark - Managing Director, SABMiller Europe
69	RANDGOLD RESOURCES LTD	2	23	2	8.7%	Lois Wark - Group Corporate Communications Tania De Welzim - Group Financial Manager
70	ANGLO AMERICAN PLC	3	12	1	8.3%	Anik Michaud - Group Director/Corporate Relations
70	BARCLAYS PLC	2	12	1	8.3%	Maria Ramos - Chief Executive, Barclays Africa Group
70	BP PLC	2	12	1	8.3%	Katrina Landis - EVP Corporate Business Activities
70	INTERNATIONAL CONSOLIDATED AIRLINES GROUP SA (IAG)	2	12	1	8.3%	Julia Simpson - Chief of Staff
74	ARM HLDGS PLC	3	13	1	7.7%	Jennifer Duvalier - EVP People
76	BRITISH AMERICAN TOBACCO PLC	2	14	1	7.1%	Nicola Snook - Company Secretary
76	HSBC HLDGS PLC	4	14	1	7.1%	Pam Kaur - Group Head of Internal Audit
77	SCHRODERS PLC	5	16	1	6.3%	Nicky Richards - Global Head of Equities
78	BABCOCK INTERNATIONAL GROUP PLC	5	8	0	0.0%	
79	ROYAL DUTCH SHELL PLC	2	10	0	0.0%	
80	RSA INSURANCE GROUP PLC	2	11	0	0.0%	



The UK has made great strides in bringing more women into the boardroom over the last few years. We now need to channel this energy into increasing the number of women in executive and management positions, in order to develop the talent pipeline that will be crucial to realising gender equality in the corporate world. The case, however, for more equal female representation is not just one of morals and righteousness. Companies that have chipped away at their own glass ceilings never look back. The business case for putting more women into management roles is clear-cut. Research by McKinsey shows companies that score the best on

diversity are more likely to be top performers in their sector. In the UK, the gender pay gap is at its lowest level on record and the most enlightened employers are taking action, rather than just talking, when it comes to things like flexible working, job sharing, name-blind application forms and internal mentoring schemes. These are necessities that can help propel ambitious women to the top. Businesses must harness the full potential of all of their employees. Diversity is no longer an added extra or a box which needs to be ticked. It is a fundamental driver of company performance. The leaders of tomorrow – whatever their sex – will not forgive us if we fail to act now.

Lady Barbara Judge CBE
Chairman of the Institute of Directors



In addition to looking at the proportion of women on the Executive Committee, we also considered the roles women hold in these important senior management groups.

The three most common 'C-Suite' roles are Chief Executive, Chief Financial and Chief Operating Officer. From the 79 companies for which we have data, women hold only 10% (18 out of 184) of these roles.

We then grouped all the remaining roles into either Operational or Functional roles and looked at the proportions of women in each (see Table 9). Of the remaining operational roles, such as divisional or regional heads, women also only held 10% (35 out of 350). In the functional roles (e.g. marketing, communications, PR, investor relations, IT, HR, audit, risk, General Counsel and Company Secretary), women held 33% (126 out of 387). Of the 58 HR directors named on Executive Committees, 35 were women and 23 men and of the 79 Company Secretaries/General Counsels named, 31 were women but 48 men.

Overall, these trends demonstrate an under-representation of women in C-suite roles and operational executive roles.

TABLE 9: EXECUTIVE COMMITTEE ROLES BY GENDER

Executive Committee Roles		Percent of Women	No. of Women	No. of Men
C-Suite	Chief Executive Officer/ Deputy		7	72
	Chief Financial Officer/ Finance Director		9	70
	Chief Operating/ Operations Officer		2	24
		10%	18	166
Operational				
	Divisional/ Regional Heads	10%	35	315
Functional				
	Divisional/ Regional Heads	33%	126	261

3.4.4 Looking ahead

We draw three main conclusions from this analysis of gender diversity across FTSE 100 Executive Committees:

- There is a lack of transparency and inconsistent reporting on the gender composition of Executive Committees, which limits our insight into relevant talent pipelines to the board. Organizations should be encouraged to monitor and report such data in a more rigorous manner.
- Women are under-represented at Executive Committee level (19.4% overall), especially in C-suite and operational roles (women make up 10% of senior executives in each). This shortage of women in senior roles will make it difficult to reach and sustain the 33% target for women on boards.
- Organizations should be encouraged to increase not only the overall percentage of women on the Executive Committee, but particularly women in operational roles. With purposeful talent management and succession planning this could conceivably be substantially changed over the next five year period. In a survey last autumn,⁴ 19 of the UK's largest institutional investors stated that the continuing drive to increase women on boards was important for British business; that the current voluntary approach was effective; but that more work was required to better utilise female talent. When asked where the focus of work should next be, 58% of investors recommended extending the scope to include the Executive Committee and/or direct reports to the Executive Committee.



Changing places: Academics on Boards

The need to increase gender diversity on higher education institutions and company boards provides an opportunity to facilitate the transfer of skills and expertise between business and academia and to build stronger partnerships between the two sectors. The 30% Club and KMPG are sponsoring research undertaken by Oxford Brookes University Centre for Diversity Policy Research and Practice to look at current

levels of participation of senior women with an academic or a corporate background on company and university boards respectively.

Women represent 36% of all university governing body members (WomenCount 2016) and preliminary findings suggest that there is a significant level of participation of senior women from businesses on these boards. This is in contrast to the level of participation on FTSE boards of senior women from academia which is very limited. Currently there are only four female senior academics holding non-executive roles on FTSE 100 boards who are almost exclusively scientists. There are four on FTSE 250: two of whom are in STEMM disciplines and two of whom are in management studies. There are also three women, two on FTSE 100 and one on FTSE 250 boards who hold senior leadership roles in Higher Education Institutions but did not have an academic career in teaching and research.

The number of senior male academics is equally low with only four of them on FTSE 100 and six on FTSE 250 boards. These findings suggest that there is a very limited flow of expertise from academia to the boardroom of listed companies. There is a significant talent pool in academia that listed companies could draw from. This talent pool however, remains largely untapped in spite of the recommendation in the first Davies report which suggested that listed companies should look for non-executive directors in other sectors, outside the corporate mainstream, including academia.

The full findings from the Changing Places research will be available later this year.

Professor Simonetta Manfredi
Oxford Brookes University



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F T S E 2 5 0
C O M P A N I E S





Generally there has been a steady progress in the increase of women directors on FTSE 250 boards. Since March 2015 there has been a rise from 18% to 20.4%, and 235 companies have at least one woman on their boards. Over the years we have consistently seen fewer women in both executive and non-executive directorships in smaller companies, although this seems counter-intuitive in terms of building managerial experience. Surely both women and men need to gain experience in smaller companies before graduating to larger ones? This trend has been borne out by the number of new women appointed into NED positions on FTSE 100 boards, having already served on FTSE 250 boards.

4.1 FTSE 250 COMPANIES WITH FEMALE DIRECTORS

TABLE 10: FTSE 250 DIRECTORSHIPS 2012-2016

	2016	2015	2014	2013	2012
Female held directorships	406 (20.4%)	365 (18.0%)	310 (15.6%)	267 (13.3%)	189 (9.4%)
Female executive directorships	29 (5.6%)	25 (4.6%)	29 (5.3%)	32 (5.4%)	28 (4.5%)
Female non-executive directorships	371 (25.7%)	340 (23.0%)	281 (19.6%)	235 (16.6%)	168 (11.4%)
Companies with female executives	26 (10.4%)	23 (9.2%)	27 (10.8%)	29 (11.6%)	25 (10.0%)
Companies with at least one female director	235 (94.0%)	227 (90.8%)	202 (80.1%)	183 (73.2%)	135 (54.0%)
Companies with at least 25% female directors	90 (36%)	65 (26.0%)	51 (20.4%)	36 (14.4%)	21 (8.4%)
Companies with at least 27% female directors	66 (26.4%)				
Companies with at least 33% female directors	39 (15.6%)				



There's no doubt in my mind that developing more women leaders will make a real difference to the success of the UK economy, our productivity, and the UK's future place in the world. Diverse leadership teams make better decisions and are a source of competitive advantage for firms. That's why our companies have stepped up to the challenge of a voluntary target for improving gender diversity in the UK's boardrooms

Yet we still have a long way to go, particularly to improve the number of female executives which is not getting better anything like fast enough. Non-executive directors play an important role as the guardians of values, challenging decisions and managing risk. But it is the job of executives – the sleeves-rolled-up leaders in our society – to run organizations on a daily basis. We don't have enough women who are executive leaders in the UK – the CEOs, the CFOs, the heads of operating divisions, the MDs and Partners.

Lord Davies' review showed just what can be done through sheer energy, commitment, and the clarity of a target. A voluntary target for women leaders, combined with business-led approaches to improving the representation of women at all levels of leadership and management will help us to take the next step.

Carolyn Fairbairn
Director General of the Confederation of British Industry



As Table 11 shows, 90 FTSE 250 companies now have at least 25% women on their boards. Of these, only 66 have 27% or more women on their boards (our target for 2016), so there is still a long way to go before meeting the target of 33% by 2020. On a positive note, only 15 companies have all-male boards. Like the FTSE 100 boards, there is a huge variance in the percentage of women on the FTSE 250 boards from 0% to 50%; the variance in size of the boards with women directors being 4-11 on FTSE 250 boards compared to 7-26 on FTSE 100 boards.

TABLE 11: THE 90 FTSE 250 COMPANIES WITH AT LEAST 25% FEMALE DIRECTORS

Rank	Organization Name	Percent WoB	No. on Board	No. of Women
1	GRAINGER PLC	50.0	8	4
1	WOODFORD PATIENT CAPITAL TRUST PLC	50.0	4	2
1	RENEWABLES INFRASTRUCTURE GROUP LTD	50.0	4	2
1	JPMORGAN AMERICAN INVESTMENT TRUST PLC	50.0	6	3
1	HALFORDS GROUP PLC	50.0	6	3
6	JUPITER FUND MANAGEMENT PLC	44.4	9	4
6	THOMAS COOK GROUP PLC	44.4	9	4
7	REDROW PLC	42.9	7	3
7	WETHERSPOON(J.D.) PLC	42.9	7	3
7	LANCASHIRE HOLDINGS LTD	42.9	7	3
11	KENNEDY WILSON EUROPE REAL ESTATE PLC	40.0	5	2
11	UBM PLC	40.0	10	4
11	ABERFORTH SMALLER COMPANIES TRUST PLC	40.0	5	2
14	VIRGIN MONEY HOLDINGS (UK) PLC	37.5	8	3
14	BROWN(N.)GROUP PLC	37.5	8	3
14	AGGREKO PLC	37.5	8	3
14	LAIRD PLC	37.5	8	3
14	GREGGS PLC	37.5	8	3
14	HOME RETAIL GROUP PLC	37.5	8	3
14	ESURE GROUP PLC	37.5	8	3
14	BREWIN DOLPHIN HOLDINGS PLC	37.5	8	3
22	CINEWORLD GROUP PLC	33.3	9	3
22	PZ CUSSONS PLC	33.3	9	3
22	LADBROKES PLC	33.3	6	2
22	SVG CAPITAL PLC	33.3	6	2
22	AUTO TRADER GROUP PLC	33.3	6	2
22	RESTAURANT GROUP PLC (THE)	33.3	6	2
22	POLAR CAPITAL TECHNOLOGY TRUST PLC	33.3	6	2
22	VICTREX PLC	33.3	9	3
22	CREST NICHOLSON HOLDINGS PLC	33.3	6	2
22	COUNTRYWIDE PLC	33.3	9	3
22	MITIE GROUP PLC	33.3	6	2
22	CLOSE BROTHERS GROUP PLC	33.3	9	3

22	WH SMITH PLC	33.3	6	2
22	TEMPLE BAR INVESTMENT TRUST PLC	33.3	6	2
22	MURRAY INTERNATIONAL TRUST PLC	33.3	6	2
22	TR PROPERTY INVESTMENT TRUST PLC	33.3	6	2
22	DFS FURNITURE PLC	33.3	6	2
22	HAYS PLC	33.3	9	3
40	SHAFTESBURY PLC	30.0	10	3
40	WS ATKINS PLC	30.0	10	3
40	SERCO GROUP PLC	30.0	10	3
40	HISCOX LTD	30.0	10	3
40	HENDERSON GROUP PLC	30.0	10	3
40	INCHCAPE PLC	30.0	10	3
40	HALMA PLC	30.0	10	3
4	CARILLION PLC	28.6	7	2
47	PENNON GROUP PLC	28.6	7	2
47	DECHRA PHARMACEUTICALS PLC	28.6	7	2
47	MORGAN ADVANCED MATERIALS PLC	28.6	7	2
47	RENTOKIL INITIAL PLC	28.6	7	2
47	NORTHGATE PLC	28.6	7	2
47	MICHAEL PAGE INTERNATIONAL PLC	28.6	7	2
47	CARD FACTORY PLC	28.6	7	2
47	SENIOR PLC	28.6	7	2
47	WORLDWIDE HEALTHCARE TRUST PLC	28.6	7	2
47	RPC GROUP PLC	28.6	7	2
47	WITAN INVESTMENT TRUST PLC	28.6	7	2
47	FOREIGN & COLONIAL INVESTMENT TRUST PLC	28.6	7	2
47	SCOTTISH MORTGAGE INVESTMENT TRUST PLC	28.6	7	2
47	HICL INFRASTRUCTURE CO LTD	28.6	7	2
47	FIDELITY CHINA SPECIAL SITUATIONS PLC	28.6	7	2
47	IG GROUP HOLDINGS PLC	28.6	7	2
64	TATE & LYLE PLC	27.3	11	3
64	NMC HEALTH PLC	27.3	11	3
64	JIMMY CHOO PLC	27.3	11	3
67	NB GLOBAL FLOATING RATE INCOME FUND LTD	25.0	4	1
67	VESUVIUS PLC	25.0	8	2
67	WILLIAM HILL PLC	25.0	8	2
67	MONEYSUPERMARKET.COM GROUP PLC	25.0	8	2
67	DS SMITH PLC	25.0	8	2
67	OPHIR ENERGY PLC	25.0	8	2

67	HIGHBRIDGE MULTI-STRATEGY FUND LTD	25.0	4	1
67	WOOD GROUP (JOHN) PLC	25.0	8	2
67	PENDRAGON PLC	25.0	8	2
67	CRODA INTERNATIONAL PLC	25.0	8	2
67	TULLETT PREBON PLC	25.0	8	2
67	REGUS PLC	25.0	8	2
67	ROTORK PLC	25.0	8	2
67	BERENDSEN PLC	25.0	8	2
67	INTERNATIONAL PERSONAL FINANCE PLC	25.0	8	2
67	BTG PLC	25.0	8	2
67	SAGA PLC	25.0	8	2
67	RIGHTMOVE PLC	25.0	8	2
67	SIG PLC	25.0	8	2
67	RATHBONE BROTHERS PLC	25.0	8	2
67	GREENCORE GROUP PLC	25.0	8	2
67	IBSTOCK PLC	25.0	8	2
67	PETS AT HOME GROUP PLC	25.0	8	2
67	ELECTRA PRIVATE EQUITY PLC	25.0	8	2

There are just 15 companies across the whole of the FTSE 350 index that still have all-male boards. They are listed below.

TABLE 12: THE 15 FTSE 250 COMPANIES WITH NO WOMEN ON BOARDS

CENTAMIN PLC

ICAP PLC

CLARKSON PLC

P2P GLOBAL INVESTMENTS PLC

DAEJAN HOLDINGS PLC

PAYSAFE GROUP PLC

EUROMONEY INSTITUTIONAL
INVESTOR PLC

PERSONAL ASSETS TRUST PLC

PLAYTECH PLC

GRAFTON GROUP PLC

TELECOM PLUS PLC

HARBOURVEST GLOBAL PRIVATE
EQUITY LTD

TRITAX BIG BOX REIT PLC

HASTINGS GROUP HOLDINGS PLC

ULTRA ELECTRONICS HLDGS PLC

4.2 FTSE 250 COMPANIES WITH WOMEN IN EXECUTIVE ROLES

The number of female executive directors has risen to its highest since 2013 with 29 women on 26 FTSE 250 boards equalling 5.6%, so still significantly below the 9.7% of women in executive directorships in FTSE 100 companies. Both figures are low and underline the striking issue of the lack of women in the executive pipeline which is the focus of Sir Philip Hampton's new enquiry for the Government.

Twelve women hold the Chief Executive position and 11 women hold the CFO/GFD role. There are only three companies with two female EDs: Grainger, Mitie Group and Talktalk Telecom Group. There are also 11 women holding the Chairman role in FTSE 250 companies. A mention must be made of Grainger PLC which not only has 50% female board members, but also has women holding each of the three key roles of CEO, CFO and Chairman.

TABLE 13: THE 26 FTSE 250 COMPANIES WITH FEMALE EXECUTIVE DIRECTORS

Rank	Company	Female Board %	No. Female Directors	No. Fem EDs	Executive Roles	Sector	Women in Executive Roles
1	GRAINGER PLC	50.0	4	2	CEO, FD	Real Estate	Helen Gordon, Vanessa Simms
1	HALFORDS GROUP PLC	50.0	3	1	CEO	General Retailers	Jill McDonald
7	REDROW PLC	42.9	3	1	GFD	Construction & Building Materials	Barbara Richmond
7	LANCASHIRE HOLDINGS LTD	42.9	3	1	Group CFO	Insurance	Elaine Whelan
7	WETHERSPOON(-J.D.) PLC	42.9	3	1	ED - Legal/Personnel	Leisure & Hotels	Su Cacioppo
11	UBM PLC	40.0	4	1	CFO	Media & Entertainment	Marina Wyatt
13	VIRGIN MONEY HOLDINGS (UK) PLC	37.5	3	1	CEO	Speciality & Other Finance	Jayne-Anne Gadhia
14	HOME RETAIL GROUP PLC	37.5	3	1	Group HR Director	General Retailers	Ella Bennett
14	AGGREKO PLC	37.5	3	1	CFO	Business Services	Carole Cran
14	BROWN(N.)GROUP PLC	37.5	3	1	CEO	General Retailers	Angela Spindler
22	CLOSE BROTHERS GROUP PLC	33.3	3	1	Head of Legal Affairs/General Counsel	Speciality & Other Finance	Elizabeth Lee
22	MITIE GROUP PLC	33.3	2	2	Chief Executive, GFD	Business Services	Suzanne Baxter, Baroness Ruby McGregor-Smith
22	SVG CAPITAL PLC	33.3	2	1	CEO	Investment Companies	Lynn Fordham
22	VICTREX PLC	33.3	3	1	GFD	Chemicals	Louisa Burdett
22	COUNTRYWIDE PLC	33.3	3	1	Group Chief Executive	Real Estate	Alison Platt
47	CARD FACTORY PLC	28.6	2	1	Group CEO	General Retailers	Karen Hubbard

47	DECHRA PHARMACEUTICALS PLC	28.6	2	1	CFO	Pharmaceu- ticals and Biotechnology	Anne- Francoise Nesmes
47	PENNON GROUP PLC	28.6	2	1	CFO	Utilities - Other	Susan Davy
67	BTG PLC	25.0	2	1	CEO	Pharmaceu- ticals and Biotechnology	Dame Louise Makin
67	RIGHTMOVE PLC	25.0	2	1	FD	Media & Entertainment	Robyn Perriss
67	PENDRAGON PLC	25.0	2	1	Corporate Services Director/ Company Secretary	General Retailers	Hilary Sykes
111	DEBENHAMS PLC	20.0	2	1	Trading Director	General Retailers	Suzanne Harlow
128	ONESAVINGS BANK PLC	18.2	2	1	CFO	Banks	April Talintyre
136	TALKTALK TELECOM GROUP PLC	16.7	2	2	CEO, Managing Director	Telecom- munication Services	The Hon. Dido Harding, Tristia Harrison
166	DRAX GROUP PLC	14.3	1	1	CEO	Electricity	Dorothy Thompson
166	SSP GROUP PLC	14.3	1	1	CEO	Food Producers & Processors	Kate Swann
155	ULTRA ELECTRONICS HLDGS PLC	14.3	1	1	GFD	Aerospace & Defence	Mary Waldner

4.3 PACE OF CHANGE

Similar to the FTSE 100 from September 2015 to March 2016, both the number of new appointments and the percentage of those appointments going to women was down with 140 new appointments and 25.7% of those being women. The appointment rate was particularly poor for executive directors. Of 65 new FTSE 250 executive director appointments last year, only six (9.2%) went to women.

TABLE 14: FTSE 250 NEW APPOINTMENTS ACROSS 6 MONTHS

	Mar-16	Sep-15	Mar-15	Sep-14	Mar-14	Sep-13	Mar-13	Sep-12	Mar-12	Sep-11
New female appointments	36	43	30	44	33	36	46	43	33	21
New male appointments	104	112	99	137	66	87	112	75	92	102
Total new appointments	140	155	129	181	99	123	158	118	125	123
Female % of new appointments	25.7%	27.7%	23.3%	24.3%	33.3%	29.3%	29.1%	36.4%	26.4%	17.1%

4.4 CROSS INDEX COMPARISON AND PACE OF CHANGE

The government supports Lord Davies' revised target for all FTSE 350 company boards to have 33% female directors by 2020. If we look across the whole group, we see that this figure currently stands at 22.4%.

TABLE 15: FTSE 350 COMPARISONS

At March 2016	FTSE 100	FTSE 250	FTSE 350
Female held directorships	279 (26.0%)	406 (20.4%)	685 (22.4%)
Female executive directorships	26 (9.7%)	29 (5.6%)	55 (7.0%)
Female non-executive directorships	253 (31.4%)	377 (25.7%)	630 (27.8%)
Female CEOs	6 (6%)	12 (4.8%)	18 (5.1%)
Female Chairs	4 (4%)	11 (4.4%)	15 (4.3%)

Going back to 2012, we have tracked and predicted the progress of these numbers with our trajectories. From all three trajectories we can see that we will hit the 33% targets only if, going forward, one in three (33%) new appointments goes to a woman. We know from previous years that this is possible, but that it requires a concerted commitment by all involved. The current rate of female appointments is insufficient to meet this target.

The trajectories assume that the total number of directorships remains the same and that the numbers of directors leaving the board each year reflect the gender balance of six years earlier, as the average tenure is six years. They have been calculated using an annual turnover rate of 14.5% and reveal possible proportions of women on boards with an appointment rate of one in three (33%) and one in four (25%).

FIGURE 2: FTSE 100 TRAJECTORIES WITH VARYING PERCENTAGES OF FEMALE APPOINTMENTS

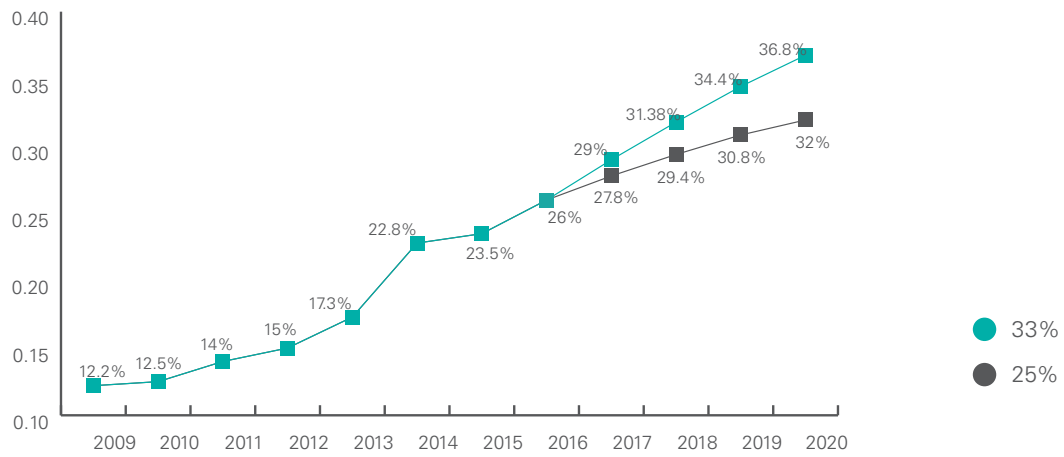


FIGURE 3: FTSE 250 TRAJECTORIES WITH VARYING PERCENTAGES OF FEMALE APPOINTMENTS

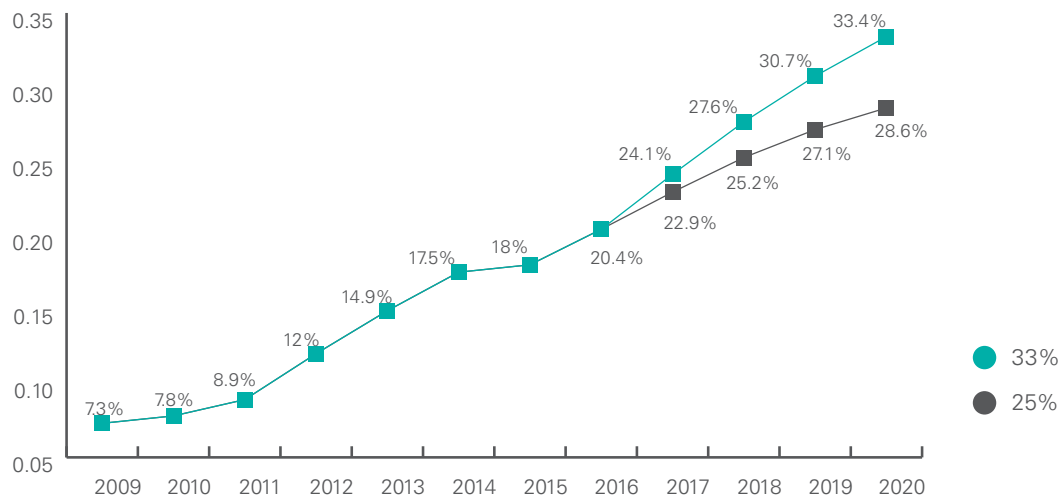
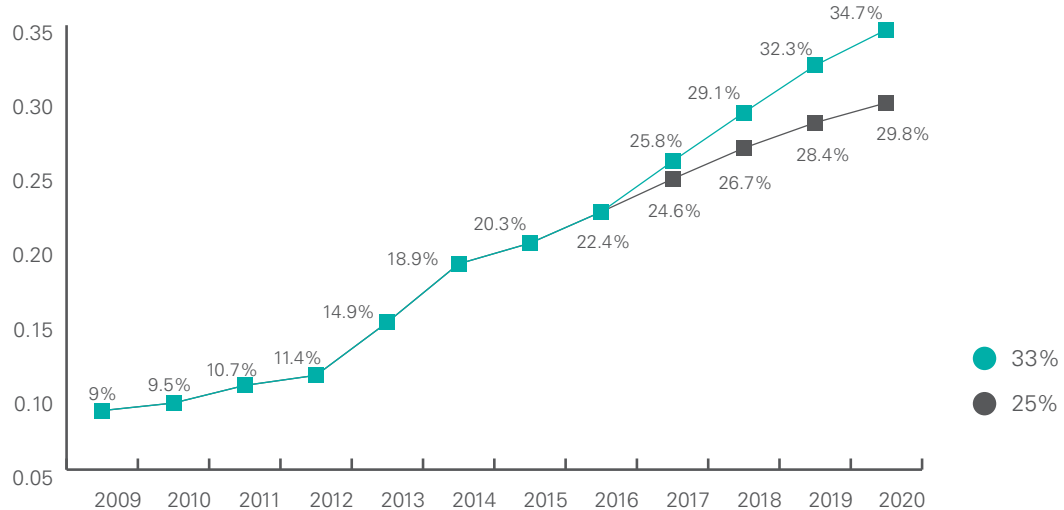


FIGURE 4: FTSE 350 TRAJECTORIES WITH VARYING PERCENTAGES OF FEMALE APPOINTMENTS



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T A R G E T S
F O R G E N D E R
B A L A N C E





5.1 TARGETS VERSUS QUOTAS FOR WOMEN AT THE TOP

While debate about boardroom gender quotas continues and 15 countries globally have adopted them,⁵ the UK has started a process of significant change with its voluntary business-led approach. In 2011, the Davies Review set an ambitious target of 25% women on FTSE 100 boards by 2015. Last year, we celebrated progress on several fronts⁶: women's representation on FTSE 100 boards had more than doubled to 26.1% in five years and the UK ranked number six in the world in terms of women on boards, with all countries ranked higher having relied on mandatory measures to achieve progress.

Chairmen, CEOs, directors, executive search firms and subject-matter experts⁷ identified key drivers of success as:

- Setting targets that are ambitious yet realistic
- Monitoring progress six-monthly
- Effective championing by Lord Davies and his Steering Group
- Multiple stakeholder engagement

Moving forward, progress must be made by building on the same principles and by expanding the focus to women on Executive Committees and in senior leadership roles. The intense public scrutiny generated by the Davies Review at board level needs to expand to lower organizational echelons. A recent EHRC inquiry⁸ found that FTSE 350 companies are more likely to have diversity policies at board level compared to senior management level; only 57% of FTSE 100 companies and 42% of FTSE 250 companies have diversity policies for their senior management teams. This demonstrates the need to adopt a more disciplined and goal-driven approach below board level. While quotas remain incongruent with the UK's approach and business culture, target setting at board level and below is crucial to sustainable change.

But what are the differences between targets and quotas?

TABLE 16. LEGAL AND PRACTICAL DIFFERENCES BETWEEN QUOTAS AND TARGETS^{9,10,11,12}

Quotas	Targets
<p>Definition</p> <ul style="list-style-type: none"> – fixed percentage or number imposed by the State to ensure representation of women, time bound and with sanctions – contrary to commonly-held beliefs, quotas do not entail selecting a candidate only because of their gender; the proposed EU directive for gender balance on boards calls for companies to give priority to the candidate from the under-represented gender only if equally qualified – do not entail discrimination against men or positive discrimination towards women 	<p>Definition</p> <ul style="list-style-type: none"> – voluntary aspiration identified and pursued by organizations, without regulatory sanctions imposed by the State – enable positive action and 'tie-break' provisions whereby a company can treat a candidate from an under-represented group more favourably during recruitment or promotion processes, only if two or more candidates are equally qualified – do not entail discrimination against men or positive discrimination towards women
<p>Assumptions</p> <ul style="list-style-type: none"> – rely on the assumption that you need to change the numbers and ensure a critical mass, in order to eventually change the culture 	<p>Assumptions</p> <ul style="list-style-type: none"> – rely on the assumption that you need to change behaviours and organizational processes, in order to change the numbers and the culture
<p>Pros and Cons</p> <ul style="list-style-type: none"> – address an intractable problem when other measures have failed, ensuring representation and critical mass, thus lowering risk of tokenism – send a significant symbolic message from government or regulatory body that introduces them – perceived as an imposition to business and unmeritocratic (an emotional rather than rational response) – initially met with resentment, and generally normalised post hoc – adoption can be relatively swift and uniform if legal penalties are in place – progress is resilient as enforced by law 	<p>Pros and Cons</p> <ul style="list-style-type: none"> – can be more nuanced than quotas, and tailored to different pipeline challenges and talent management processes, rather than just the outcome – incremental increases in gender diversity bring higher risk of tokenism – perceived as business-driven and business-owned, which increases likelihood of buy-in from multiple stakeholders and acceptability once adopted – adoption can be slower or uneven across companies without pressure (champions, roles models, public scrutiny) – progress is fragile; intense championing and public scrutiny is needed to keep up the pace of change

5.2 WHY TARGETS WORK AND WHAT ARE THE PRINCIPLES OF TARGET SETTING?

Based on the UK's journey since 2011, the experience of other countries trying to introduce voluntary change,¹³ and best practice in the field,¹⁴ we identify mechanisms that make target setting effective:

- Targets provide **clarity in goals and a disciplined approach to change**. Targets should be set in the context of a clear action plan with a specific timeline, to make diversity commitments tangible and create a sense of urgency.

“Targets are good because they put data on the table that has to be measured [...] this just makes the conversation happen at the senior table and if the conversation happens, actions follow.”

— (Female FTSE Director)

For example, in 2011 executive search firms were encouraged to create a Voluntary Code of Practice. One of the most effective provisions of the Code was the requirement to provide 30% women on a shortlist.¹⁵



Yes we are seeing a genuine commitment from business for greater equality – but actions are often slower to catch up with words. Women are underrepresented in the higher paying, higher status jobs and industries, yet traditionally ‘feminised’ work is almost always undervalued. There are two things that I believe can deliver better gender balance, faster. First, I anticipate that compulsory gender pay gap reporting will create accountability for change – the causes behind the gender pay gap are amongst the biggest factors in women’s inequality in UK workplaces, and creating transparency and understanding should encourage action. Second,

we need businesses to rethink existing approaches and recognise that the barriers to women’s progression are structural – women don’t need to change. Only by moving away from a ‘fix’ the women approach towards true organizational and cultural change, will we make any real progress in achieving true equality.

Kathryn Nawrocky

Gender Equality Director at Business in the Community



Targets may provide **interim milestones**, small steps on a longer journey, as they are rarely an end-goal. The Davies 2015 target of 25% is such an example. Having achieved the target within the timeframe, this has now been recalibrated at 33% for 2020. Organizations can also utilise staged targets, for example as outlined in the Royal Bank of Scotland case study below.

- Like any business objectives, targets should be **stretching but realistic**. Ambitious and achievable targets should be based on an honest assessment of obstacles and opportunities for change. FTSE 350 companies were initially encouraged by the Davies Review to set themselves achievable individual board targets, to reflect their different starting points on the journey to gender balance. More recently, HM Treasury has encouraged all financial services firms to set their own targets for increasing the proportions of women at mid and senior management levels.¹⁶
- Targets **frame diversity as a culture change**. A perceived benefit of targets over quotas is that they aim to move beyond descriptive change (i.e. changes in numbers) to create more substantive change (i.e. change in culture), moving it away from a women's issue. Changing organizational culture can be seen as nebulous, collective and intangible, and therefore it is crucial that targets have clear lines of accountability. Progress during the Davies Review is explained by the fact that companies and Chairmen were under intense scrutiny to set their own board diversity goals and report progress against them. Similarly, our research found that a key driver for developing female talent below board level is commitment and accountability from senior leaders and managers.¹⁷ Companies leading the way in terms of talent management hardwire diversity target achievements to managerial responsibility, performance and reward. For instance, engagement of leaders in women's leadership programmes is critical to nurturing accountability and systemic culture change.

“The key thing is that every sponsor who comes on the [women’s leadership] programme is a potential change agent because they’re a partner. So it’s about educating them as to what life is like for these women to be in the organization, so they can then begin to think about what they might do about it.”

– (PwC)

“Your performance rating at the end of the year is driven partly by how well you’ve done [on developing talent], which ultimately now will link to your bonus as well. So it sits at the heart of what we expect of leaders.”

– (GSK)

- Targets are effective when **underpinned by robust metrics** that enable organizations to locate obstacles. This also enables accountability. Several FTSE organizations include balanced scorecards on diversity for the KPIs of their executives. Setting targets requires those responsible to investigate the fine detail of gender balance throughout the organization, and across talent management processes. This measurement as praxis, rather than just research, utilises the knowledge, bringing comprehensive understanding of the issues and therefore greater capacity for change.

Throughout our research at board level, we found that certain metrics highlighted critical obstacles to change. For instance, by monitoring the share of new director appointments going to women, it became apparent that they had to increase to about one third for FTSE 100 companies to reach the 25% target; by monitoring tenure of NEDs, we found that several NEDs exceeded the recommended six year tenure, thereby reducing the board turnover rates necessary for change. Moving forward, we suggest that board-level metrics should remain in place and be matched by relevant and creative metrics below board level (Executive Committee and the pipeline).

5.3 WHAT TARGETS AND METRICS ARE HELPFUL MOVING FORWARD?

In this next stage, we need to sustain the focus on board level and identify relevant metrics and targets that need to be considered below board level. We outline below a checklist of metrics and possible voluntary targets that could be adopted.

TABLE 17. METRICS AND TARGETS FOR GENDER DIVERSITY

Level	Metrics companies should collect	Possible targets
Board	<ul style="list-style-type: none"> - % men and women - % men and women across executive and non-executive roles - % male and female directors sitting on Audit and Nominations board committees - % women Chairmen across FTSE 350 - % women Senior Independent Directors across FTSE 350 - Board turnover rates - % new appointments going to women - % women on long lists in new board appointments - % women shortlisted in new board appointments 	<ul style="list-style-type: none"> - 33% women on board (target proposed by the 2015 closing Davies report and endorsed by the government) - % women executive board members - 30% women on long lists of candidates for NED positions (as required by the Voluntary Search Code since 2011) - % women on short lists of candidates for NED positions
Executive Committee	<ul style="list-style-type: none"> - % men and women - % men and women in operational and support ExCo roles - % men and women who were internally promoted to ExCo positions 	<ul style="list-style-type: none"> - % women on ExCo - % women in operational roles
Below Executive Committee	<ul style="list-style-type: none"> - % men and women at different seniority levels – clarify definition of ‘senior management’ in annual reporting - % men and women in different business units - % men and women in different functions - % men and women promoted - % men and women afforded developmental opportunities (e.g. challenging assignments, leadership development programmes, mentoring and sponsorship, expatriate assignments) - % men and women recruited - Retention and turnover rates for men and women 	<ul style="list-style-type: none"> - % women direct reports to ExCo - % women at various senior management ranks - % women promoted should reflect gender split in available internal candidate pool (proportionality in promotions) - % women given developmental opportunities should reflect or exceed the gender split in available internal candidate pool - % women recruited at entry level should match % women in labour market

Our 2015 Female FTSE study highlighted that whilst FTSE Chairmen have largely taken up the challenge set by Lord Davies and increased the number of women on boards, CEOs now have to tackle the issue of women’s representation throughout the pipeline with the same urgency, discipline and accountability.

In addition, from April 2017, larger employers will also need to publish their mean and median gender pay gap; the proportions of men and women in the four quartiles of their organization; and their gender bonus gap. These regulations will increase gender pay gap transparency.

“Board membership is driven by engaged Chairmen and pipeline development is driven by engaged CEOs. The CEO holds the power and needs to be utterly committed to the development of women in the organization in a way that is measurable and reportable.”

— (FTSE Chairman)

What has been most interesting to observe over the past five years is how organizations have come to recognize the value in using gender targets, initially unpopular when Lord Davies announced the 25% for women on boards, to instigate the change that many varied initiatives had thus far failed to do. In February 2014, Lloyds Banking Group became the first FTSE 100 company to establish a formal gender target to address its executive pipeline. They very publicly announced a target, i.e. that 40% of their top 5,000 senior management roles globally would be held by women by 2020. A number of other financial institutions have subsequently followed suit and in March this year, a report into financial service firms of all sizes,¹⁸ concluded:

“So we recommend that every Financial Services firm operating in the UK be encouraged to publish its own inclusion strategy and targets on an annual basis – and that progress against these internally generated targets be reported. We recommend that this strategy is owned and driven at Executive Committee level by a senior member of the Committee responsible and accountable for its design, execution and success. And we propose that success against these internal measures forms part of the annual bonus outcome of all senior Executives.”

— Jayne-Anne Gadhia CBE - CEO VirginMoney

In 2014 Linklaters and Allen & Overy were amongst the first laws firms to announce a target. Within a year several other firms took that step and today most of the other larger names such as Norton Rose; Freshfields Bruckhaus Derringer; Pinsent Masons; Herbert Smith Freehills; Clifford Chance; Baker & McKenzie; and Ashurst all utilise targets as part of their diversity management. For example, Ashurst set a target of 40% of all partner promotions to be female, and 25% of Equity Partners and 25% of all Management positions to be held by women by 2018. Divisions and office heads have set their own objectives and priorities, with accountability, and the firm strengthened its focus on transparency.

From our women on boards research, we know that until the leadership of the organization stands up and takes diversity seriously, other initiatives are really just tinkering around the edges. Embedding true gender diversity is a change programme with a complexity of issues and stakeholders. Like any other change programme, it needs objectives and measurable targets. Below we feature case studies of organizations that are already using metrics and targets to drive gender diversity at a senior level. They share some of the successes as well as acknowledging some of the challenges along the way. We congratulate them for their persistence and offer them as examples of best practice from which other organizations can learn.

“The approach of target setting, creating the impetus through individual organizations and their leaders, and requiring transparency on progress, applies very much to our public services as well as the private sector. That is why we have set a target of “50:50 by 2020” for NHS women on boards in England.”

—Ed Smith, Chair NHS Women Steering Group; Chair NHS Improvement



Three things are proven to propel progress in an organization's gender balance – transparency, targets and a commitment to drive change from the top. The Female FTSE report used all three of these to drive up the percentage of women on boards with the Davies report. Now it's time to apply these once again to fix the female executive talent pipeline.

Transparency is essential because without it you have no idea where you stand, so tracking the gender balance of managers at junior, middle and senior levels is a necessary first step. It's most likely you'll see a pyramid

shape: many more at the bottom and far fewer the top.

So take the second step, set targets to fix your gender balance, especially at executive level. And measure, track and report your progress. Programmes such as flexible working, outcomes-based performance conversations, sponsorship of talented women and training to highlight and overcome unconscious bias are all effective – but only if the CEO stands genuinely behind them.

Remember improving gender balance in the executive pipeline isn't only about promoting women, it's about boosting your organization's leadership, capability and performance. Diversity delivers results: better financials, more engaged employees and improved decision making. So what are you waiting for?

Ann Francke
Chief Executive of the Chartered Management Institute



5.4 CASE STUDIES

ROYAL BANK OF SCOTLAND

During 2013 RBS set an aspiration to have 30% senior women in our top c.5000 roles by 2020. We chose 30% because, from research, we know it marks the tipping point where female contributions influence teams enough to change behaviour and culture in an organization. Over the last 18 months, our work on pulling through more women to senior roles has seen the proportion of women in this pipeline population increase from 32% to 41%.

At the end of 2014 we decided to be more ambitious, setting a formal target for our CEO and Ex-Co of at least 30% women in our top three leadership layers of the organization (c.800 roles) by 2020. This target is by business area and not an aggregate. This ensures each of our Executive Committee members is accountable for the gender balance within their own business. It is one of only three key people measures, alongside employee engagement and leadership, on our Ex-Co scorecard.

We worked with each business to define interim targets and set a plan in place. This plan contains key core elements that are applied in all areas of our business and are augmented locally by specific interventions. For example, in areas with less pipeline there is a heavier reliance on more development interventions. For the first time – as part of our positive action approach – we have introduced development options for women at every career stage, enabling us to offer development support to four times as many women as ever before (targeted development, networking, sponsorship and mentoring).

We realised, however, that development in itself would not be enough to reach our targets and that a more 'compound' approach across all talent processes was required. Recruitment is an area where we really needed to shift the dial. We introduced steps bank-wide to require women to be on shortlists for all Senior Manager vacancies, and also for there to be a female interviewer involved in every recruitment process. We made clear to our suppliers that all-male shortlists will not be accepted and held up-skilling sessions for all our recruitment teams to make sure they knew the requirements, the reasons behind them and the business case for making the change.

There have been challenges; there are some areas that are so traditionally male, that it is extremely difficult to find a suitable female candidate. In these areas, we experienced some behaviour that almost accepted that a female wouldn't be available before we started. We had to challenge that, and took the approach that we would require an Ex-Co member to review the steps taken to try to find a female, and, if possible to see the best candidate available, even if at a lower level. This process enabled us to increase our knowledge and understanding of female candidates in the market. Finding female interviewers also presented challenges in some areas but we have been resolute in our approach.

We hold our business leaders to account with quarterly dashboards to review their progress. Some have asked to go further, such as in our Technology and Change areas, which now see monthly lists of all Senior Manager vacancies with an indication of female pipeline for each one.

By the end of 2015, we had significantly increased our pipeline of women and all areas are on track to achieve their target of at least 30% women in their top three leadership layers. We are now sitting at 32% on aggregate in this population (having shifted from 29% over the last year). We have also publicly committed to achieving a fully gender-balanced workforce (50/50) by 2030.



E Y

Our target philosophy for EMEIA is 'fair representation, no dilution and no regression' at every rank for all elements of the talent cycle – recruitment, retention, promotion, performance rankings and scheduling of assignments. So if 30% of your manager pool is female, we would expect the number of women to be promoted to the next rank to be at least 30%. How can you argue with this approach? If the number of men promoted in any year exceeds the supply pool they are coming from, you are saying that the men, in general, are stronger performers than their female counterparts – this is unlikely to be the case.

From the early days of our diversity and inclusive leadership journey in EMEIA we set gender targets for the number of women we wanted to see promoted to partner over a three year period. Initially we asked the business to identify their high-potential women and make sure that they were sponsored, they had detailed development plans and they attended at least one of our leadership development programmes, i.e., we wanted them to be proactively managed.

We started to see progress in our promotion rates, but that progress was slow. In 2014, we asked our global analytics team to look at all of our data from the last five years and predict the number of female partners we would have by 2020 if we carried on doing what we had been doing to date. Despite the great work that we saw in every geography, the prediction told us that by 2020, we would be flat on our current number. The team then modelled five different target scenarios for both recruitment and promotion and asked us how ambitious we wanted to be.

Our Executive chose to be ambitious and set a target for reaching 20% female Partners by 2020. A year later we reported to them on progress and it was good, but still slow moving. By now our Executive were totally engaged and getting impatient and they decided to send a strong signal out to the business by mandating the targets and linking them to performance. Over that time period we moved from 15% female promotions to partner to 28%. The secret to success is simple – articulating what you are trying to achieve and holding people responsible.

Of course the targets need to be realistic to engage the business and there will be times, such as when we are making acquisitions, when some moving pieces are out of our control. What we have found to be most effective is when the targets are cascaded through the business and accountability is established on multiple levels. We feel that for this approach to be effective, you have to have the right culture – one that is committed to your agenda with people who want to drive progress and feel like a key stakeholder. If you just impose something on your business you will cause distrust and unrest with both your talented women and men and targets will be divisive.

K P M G

Getting the figures right at KPMG UK LLP

KPMG believes that diversity is good for business and ensures it provides an innovative service to clients and a better, more open place in which to work. So how are we ensuring the company gets diversity 'right'? As befits a leading financial services company its approach is all about setting targets with a close eye on the bottom line.

This process started in July 2014 when our 11,500 UK staff and partners were asked to complete a diversity profile, which included race, gender, disability, sexual orientation and education levels. The Executive Committee then set the most comprehensive diversity target zones across the four areas of gender, ethnicity, disability and sexual orientation, of any business in the industry, including almost doubling the number of female partners by 2018 from 15% to 25%.

As published in our 2016 annual report, the business-wide targets for gender to be achieved by 2018 are as follows:

	Grade	Current Population	2018 Population
Female	Partner	15	687 (21.9%)
	Director	22	
	Senior Managers	36	
Black, Asian, Minority Ethnic	Partner	7 (0.9)	9 (2.2)
	Director	9 (1.2)	14 (4.4)
	Senior Managers	14 (2.0)	18 (4.1)
Disability	Overall	1.4	2.8
LGBT	Overall	3.0	4.1

“This certainly isn’t a moral crusade. I have no doubt that including a more diverse mix of experience and opinion within our leadership team and throughout our organization will make us a more profitable, as well as a more responsible business.”

—Simon Collins, Chairman and Senior Partner, KPMG in the UK

ACCOUNTABILITY

KPMG determined that if the business remained at 15% female partnership – it would be behind the market, risk losing out on valuable talent and see increased recruitment costs. Accountability for the public target zones and three year strategy sits with our Chairman's Board. The Board and Executive Committee have all agreed functional, inclusive, leadership action plans to ensure the organization successfully reaches its target zones. They are held to account by our Inclusive Leadership Advisory Board made up of experts in the field. In addition, every Partner has a scorecard which includes inclusive leadership capabilities against which their annual performance will be measured.

PROPORTIONALITY IN THE PROMOTIONS PROCESS

Recruitment and promotion processes are key to hitting our targets. Senior leaders have attended inclusive leadership workshops showing how unconscious bias can impact on promotion decisions, how to create an inclusive environment and the positive impact of this on business performance. People Leaders and Performance Managers were trained in 'proportionality' ahead of the bi-annual promotion meetings; understanding that promotion decisions should be proportional to the available talent pool, e.g. if 40% of employees were female at manager level, we would expect approximately 40% of staff promoted to senior manager to be female, reflecting the available pipeline. Proportionality is used to monitor effectiveness of attraction, retention and talent management strategies and influence more inclusive practice.

CHALLENGES

KPMG has found that clear communication is key to success. Initially, there was some confusion when the target zones were first launched that they were quotas. This was managed through careful and consistent communications, as well as opportunities to have open and honest conversations.

Where development initiatives have been utilized to address underrepresentation risks, there has needed to be careful management of fear of 'positive action'. A focus on proportionality and underrepresentation is key to mitigating the risk.

The target zones (alongside other tools such as staff engagement survey data cut by diversity strand) serve as a tangible measurement of inclusive leadership across the business and are used within Executive Committee meetings and board meetings to support discussion and action.

Whilst the targets have only been published for a year, we are already seeing positive signs of change in engagement with diversity and inclusion, and building a diverse talent pipeline. Setting public firm-wide targets has bought a sharp focus to the strategy and actions to achieve the recruitment, retention and promotion of diverse talent. We are clear this is the start of the journey rather than an outcome. We are reviewing progress against the Target Zones and Inclusive Leadership strategy to ensure that consistent culture change has been achieved along with increasing the number of diverse staff recruited and promoted within the firm. In 2018 we will seek to set the journey for the next 3 years.

KPMG are also helping to address concerns from the business community to create greater diversity on boards. In October 2015 we launched Connect On Board, an online platform designed to connect non-executive director (NED) candidates from a diverse talent pool with organizations seeking to build better boards. From the outset the vision for Connect On Board has been to help increase the visibility of first class executives who are ready for NED positions and diversify the breadth of talent around the boardroom table. Currently the platform has over 500 candidates, male and female at both aspiring and established NED levels. For more details visit kpmgconnectonboard.com and register your interest.



G S K

GSK has made significant progress in creating a more inclusive and diverse workforce with greater gender-balance across our business. The company closely monitors the percentage of women in management positions and shares this information publically on an annual basis through its corporate reporting cycle. GSK has seen a steady increase in gender representation at senior levels. The overall representation of females in the organization (globally) is 43.3%.

WOMEN IN MANAGEMENT POSITIONS (%)

	2011	2012	2013	2014	2015
SVP/VP	26	27	28	29	29
Director	38	39	40	40	40
Manager	42	43	44	45	45
Total	39	40	41	42	42

Each member of the company's Corporate Executive Team (CET) has been tasked with developing plans to increase gender representation at senior levels within their respective business areas and this is hardwired into their performance metrics, underlining the company's commitment to this issue. Gender representation in GSK's business varies by area based on history, business acquisitions and societal reasons such as available labour pools for certain roles. Therefore a tailored approach is more effective than a "one-off" intervention or one over-arching target. GSK believes that the latter could be misinterpreted by employees as a quota and that this perception could undermine the meritocracy which is at the core of the company's talent management strategy.

GSK believes that aspirational targets, appropriate business-level metrics and focused plans are vital to advancing gender diversity. In those plans, the company focuses on multiple dimensions including recruitment, succession, development and culture. GSK uses a range of metrics including, but not limited to:

- aspirational targets for certain management levels
- representation of women in succession planning for key roles
- representation of women in key development programmes

The company has seen some positive trends as a result of its increasing focus on this area. As an example, 45% of senior leaders in the company's US Pharmaceuticals business are female. This has been the result of a multi-dimensional approach which has included developing clear plans to advance gender diversity through the talent pipeline, ensuring balanced shortlists when recruiting and regular review of plans and appropriate metrics by senior leaders.

From an early talent perspective, GSK's global graduate programme is 50% female and 34% of its UK apprentices in Science, Technology, Engineering and Mathematics (STEM) disciplines are female; more than double the industry average. This has been the result of reviewing its recruitment process and school outreach.

LEADERSHIP DEVELOPMENT

GSK's Accelerating Difference leadership development initiative launched three years ago is a long-term initiative which is showing real results. The 18-month programme supports the development of high performing mid-to-senior level female leaders to help them advance their careers and take on more senior roles. To date, 236 female leaders have completed or are currently receiving individual and group coaching sessions.

GSK has also started 'dialogue' sessions, where equal numbers of women and men come together in small groups to discuss the assumptions, practices and norms of the organization that may help or hinder women's progression into senior leadership roles. The attendees are sponsors or managers of the women being coached. All line managers and sponsors are mandated by GSK to attend a dialogue session.

Accelerating Difference is designed to support both the personal development of an individual and the environment in which they operate, hence the involvement of the line manager is key as it encourages them to think differently and be more open to difference. This holistic approach means that the individual and the organization are working together to ensure talented employees are encouraged to not only put themselves forward for more senior roles, but also supporting them to ensure they stand the best chance possible of being successful through the assessment process.

Current numbers participating in the initiative are almost double the intake of the previous year and nearly 60% of participants in 2013 and 2014 have achieved a promotion or taken on more responsibility in their role.

The careers of female leaders who have participated in the programme will be tracked for five years and reported to CET every nine months to monitor the success of the initiative over time and sustain a conscious effort on developing a diverse talent pipeline.



LV=

Open, honest and fair. That's how we treat our people. We've worked hard – and continue to do so – to create a positive, inclusive atmosphere, based on respect for people's differences. We are committed to equality of opportunity and treatment for all those who work for us.

As a customer-centric business we recognise that our people need to understand and reflect the diversity of our customers so that we are better positioned to serve them. We know that when an employee brings their best and true self to work, they bring a diversity of thinking to LV=.

Over the last 18 months, led by our Executive Committee, we've built a governance structure and strategy to focus our work. As every aspect of diversity matters to us, we've engaged our people to inform our approach and have made real progress – focusing on the themes of gender, sexual orientation and disability. The D&I Programme aims to be Business led, HR enabled with an Executive Sponsor for each of the work streams, plus a D&I Steering Committee made up of senior leaders from across LV= and HR.

To underpin the programme the Executive Committee agreed the introduction of key success measures specifically in relation to gender in order to close the Gender Gap.

In 2012, at the outset, there was no female representation on the Executive Team – this has increased to 33%. A suite of focused change has led to this improving trend, including wider adoption of flexible working and setting firmer expectations with search partners re diverse candidates. Integrated with a new leadership behaviour framework emphasising unconscious bias awareness, this has enabled healthy challenge to talent management/ succession planning approaches.

Gender balance is vital to our success; we want female customers and members to relate to the LV= brand, and to be known as an employer-of-choice for female talent. Hence our focus on building gender intelligence into our service propositions and through our approach to talent development.

In 2016 we introduced a target to increase the share of women in senior positions by 1% or greater over the year. This target was endorsed by our Board. The business is being supported in achieving this target by a toolkit containing information on positive action, the benefits of achieving a balanced slate and further work on behaviours to embed unconscious bias awareness. We also recommend measures that can be actioned locally. For instance, in recruitment, talent and succession planning processes, we recommend the adoption of a 'plus one' approach that consists of encouraging decision-makers to add a female candidate to shortlists that are not sufficiently diverse.





Inquiry into fairness, transparency and diversity in FTSE 350 board appointments

Increasing diversity at board level – and throughout companies – is acknowledged as a priority by business, government and regulators as well as many shareholders and customers. Research has shown that companies with more diverse boards can operate more effectively, by understanding their customers, and more

innovatively, by being more open to change. This can in turn lead to increased profits and returns to shareholders.

In March 2016, the Equality and Human Rights Commission has published an extensive inquiry into fairness, transparency and diversity in FTSE 350 board appointments. The inquiry report shows that while there has been progress in improving the number of women on boards, there is more that can and should be done. Outdated attitudes and opaque selection processes make improving diversity a challenge. Our inquiry found continuing reliance on ‘old boys’ networks’ to source candidates, reluctance to cast the net more widely and selection based on vague notions of ‘chemistry and fit’, all of which lead to boards recruiting in their own image. Despite the evidence that many firms are now conducting board evaluations which look at diversity, too few actually translate these into setting proper targets and action plans. And a worryingly large proportion still believe that positive action to encourage talented women to apply for roles, or provide them with the skills to do so, has no place in their company.

Companies need to look at ways of improving their appointment process so that it is objective, transparent and fair, and selects the best candidate on merit. They need to think about ways of broadening the candidate pool so they consider a more diverse range of people with suitable skills and experience. And, most challenging, if they are to create the female non-executive and executive directors of the future, they need to consider how they can improve the diversity of their talent pipelines – and this means thinking about how they recruit, retain, develop and promote employees.

Laura Carstensen
Commissioner at the Equality and Human Rights Commission



0 6

C O N C L U D I N G
R E M A R K S

This year's 2016 Female FTSE Board Report reveals that the pace of change has stalled in the aftermath of the Davies closing report. The overall percentage of women on FTSE boards has increased compared to March 2015 (the date of our last Female FTSE Report), but it is similar to that of October 2015 (the date of the Davies closing report). Other key indicators of progress have slipped back; board turnover rates have decreased and a smaller share of new appointments went to women in the six months from September 2015 to March 2016. Progress against the new target of 33% for FTSE 350 companies can be achieved only if the pace of change picks up again. On a more positive note, there are no all-male boards left in the FTSE 100, and there are only 15 all-male boards in the FTSE 250.

The report also examined gender balance below board level, across FTSE 100 Executive Committees. We found that women hold only 19.4% of Executive Committee roles, and that they are more likely to hold functional roles, rather than operational and C-suite ones. This suggests that issues around the pipeline of female talent need to be addressed with urgency going forward. We look forward to the work of the new review in this area, under the stewardship of Sir Philip Hampton and Dame Helen Alexander. In this report, we make the case for the usefulness of voluntary gender targets. Several case studies included in this report showcase how organizations are using gender targets to create cultural change.

We outline key issues to be considered for future action:

- The focus on boards must be preserved as the pace of change has not kept up after the Davies closing report. Chairmen and search consultants must ensure that boards are continually refreshed and that we return to a board turnover rate of at least 14%. A larger share of new appointments must go to women, and the board appointment process must remain robust, transparent and gender-inclusive. Organizations must ensure that women not only get on boards, but actually reach senior roles such as Senior Independent Director and Chairman.
- Greater attention should be paid to the female pipeline. Women are under-represented on FTSE 100 Executive Committees, especially in operational and C-suite roles, compared to functional roles. Future action should consider how organizations can develop talented women more effectively and how they can encourage more of them to take up operational roles.
- We need more robustness and transparency in reporting gender composition at Executive Committee level and below. Companies should be encouraged to monitor and report gender balance across all seniority levels.
- Metrics and targets are effective tools to create a disciplined approach to gender balance and cultural change in organizations. In this report we lay out principles of target setting and provide case studies of organizations that use voluntary gender targets. We invite other FTSE companies to consider how such measures might help them achieve progress towards gender balance in senior management ranks and below.

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A U T H O R
B I O G R A P H I E S





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Ruth is a Senior Lecturer in Organizational Psychology at City University London. With global expertise on women on corporate boards, her research areas include Women in Leadership; Board composition; Role Models; and various aspects of Corporate Governance. Ruth is a member of the Division of Occupational Psychology Board Effectiveness Group and has recently been invited to join the NHS Women on Boards Steering Committee. In her previous role as the Deputy Director of the International Centre for Women Leaders, Cranfield School of Management, Ruth was the lead researcher of the annual Female FTSE Report from 2007. She has co-authored similar reports in Hong Kong and India and has presented the reports' findings to both academic and practitioner audiences, globally. Ruth has been cited in broadsheet newspapers, radio and television channels, and practitioner journals across the world. Her doctoral research considered the importance of role models for female directors in investment banks, and how organizational demography may affect their work identity formation and career aspirations. Ruth has spoken at many academic and practitioner conferences, lectured on Doctoral, MBA and MSc courses, and has written a number of reports, book chapters and journal articles. She has co-authored papers which have won Best Paper awards at both British Academy of Management and American Academy of Management Conferences. She is a Chartered Member of the Institute of Personnel and Development, a member of the British Psychological Society Division of Occupational Psychology and the British Academy of Management. Prior to becoming an academic, Ruth was the Managing Director of a specialist holiday company, which she sold to a larger tour operator. She then worked for a number of years as a Business Psychology Consultant. Ruth has recently accepted an Associate Professorship at Exeter Business School and will be moving there in October 2016.



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Elena is a Lecturer in Organizational Behaviour and a researcher in the Centre for Research in Equality and Diversity at Queen Mary University of London, School of Business and Management. Elena's expertise is in the field of gender and leadership, with an emphasis on diversity on corporate boards, and the processes influencing women's progression to leadership roles. Her previous research projects examined the role of executive search consultants in increasing board diversity through the board appointment process and the role of organizational politics in the leadership experiences of men and women. She has been an author of the Female FTSE Report and the Davies Review monitoring report for several years; these publications had extensive media coverage and wide impact among practitioners and policy-makers. She was the lead author on the report examining the adoption of the Voluntary Search Code by executive search firms, sponsored by the EHRC and launched in 2012 by the 30% Club. Elena's work has been published in several edited books, practitioner reports and academic journals, including the British Journal of Management, the Human Resource Management Journal, and Equality Diversity & Inclusion: An International Journal. Elena is a regular speaker at international academic and practitioner conferences. In 2013, she acted as the academic expert for Women on Boards UK on the European Parliament's consultation held by the Committee on Women's rights and Gender Equality. She is a member of the Academy of Management and the British Academy of Management and was a Fulbright scholar at Northwestern University, USA. As a business psychologist, Elena has been involved in diversity management and leadership development programmes. She draws on her research to advise organizations and policy makers on ways of supporting women leaders.



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Susan's particular research interests are gender diversity on corporate boards, women's leadership styles and the issues involved in women developing their managerial careers. Susan is Founder Director of the International Research Centre for Women Leaders at Cranfield University. Susan has written ten books, over one hundred articles, reports and conference papers while her co-authored latest book, "Handbook of Research on Promoting Women's Careers" was published in 2013. Susan is regularly interviewed by the press and media for her expert views on women directors, is a frequent keynote speaker at conferences, is the Founder and Chair of the judges for Women in the City Awards and a judge for the Sunday Times best NEDs of the year awards. Susan receives recognition worldwide and was honoured recently by The International Alliance of Women (TIAW). Susan was awarded an OBE in the Queen's New Year's Honours List in 2005 and a CBE in the Queen's Birthday Honours List in 2014 for her Services to Diversity. She was a member of the Lord Davies Steering Committee on Women on Boards between 2011 and 2015.

ENDNOTES

1. The Female FTSE Report is independently calculated by its authors. The Female FTSE Report is not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange ("the Exchange"), The Financial Times ("FT") (together the "Licensor Parties") and none of the Licensor Parties makes any claim, predication, warranty or representation whatsoever, expressly or impliedly in relation to the Female FTSE Report or related material. FTSE® is a Trade Mark of the Exchange and the FT and is used by FTSE under licence. Cranfield School of Management has been licensed as a Trade Mark by FTSE for use in the Female FTSE Report and related material.
2. The '25 by 25' initiative was launched by Egon Zehnder in 2014. The firm believes that the ambition to have 25 female chief executives of FTSE 100 companies by 2025 is achievable if one in six of new CEOs appointed over the next decade to the FTSE 100 are female, averaging three a year.
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