

Gender Diversity in Boardrooms

€When women are at the table, the discussion is richer, the decision-making process is better, management is more innovative and collaborative, and the organization is stronger. Because companies that advance and empower women are, in our view, better long-term investments, we are encouraging companies in our portfolios to enhance their performance on gender issues. •

€Joe Keefe

President and CEO, Pax World Funds

DIVERSITY ON CORPORATE BOARDS

Globally, the call for more gender diversity on corporate boards has been gaining momentum. The Companies Act, 2013 in India also recognizes the importance of gender diversity and provides for mandatory appointment of at least one women director in the listed and other specified class of companies.

The importance of improving the gender balance on corporate boards is being increasingly recognised around the world. Some countries have taken legislative action and imposed quotas, while others have used other measures like moral persuasion and introduced voluntary measures (e.g. enhanced their corporate governance codes to require companies to disclose their gender diversity policy, and/or set targets for companies).

Getting women on boards is not a numbers game or about women's rights. Rather, it is about what companies, and by extension society, are losing out by not tapping on the potential of women. It is also about ensuring that decisions taken by the board reflect the realities of the society and the market, including the rising incomes, purchasing power and decision-making power of women at home and at work. Solving complex business challenges requires the widest spectrum of views, personalities, strengths and opinions in boardrooms and in senior decision-making positions.

Organizations that aim to deliver the highest standards of leadership require a diversity of thought, skills, experience, working style and talent capability. It is increasingly being recognized that by bringing together men and women from diverse background and giving each person the opportunity to contribute their skills, experience and perspectives, the corporates are able to deliver the best solutions to challenges and sustainable value to their stakeholders.

Gender Diversity- what it means?

Board Diversity refer to the presence of women on corporate board of directors.

The boardroom is where strategic decisions are made, governance applied and risk overseen. It is therefore imperative that boards are made up of competent high calibre individuals who together offer a mix of skills, experiences and backgrounds.

Gender Diversity means to consider and to promote different skills, different resources and potentials of women and men as equivalent.

Corporate boards perform better when they include the best people who come from a range of perspectives and backgrounds.

THE RATIONALE FOR GENDER DIVERSITY ON BOARDS

The desirability of having more women in the boardroom is agreed upon by both proponents of better corporate governance and champions of women's rights.

Shareholders, institutional investors, as well as corporate governance rating agencies around the world believe that in an increasingly complex global marketplace, companies that effectively hire, retain and promote women are often better equipped to capitalise on competitive opportunities than those that do not.

The International Corporate Governance Network (ICGN), comprising institutional investors responsible for managing more than US\$18 trillion in assets, considers gender diversity an important factor in helping to ensure a diversity of perspectives on the board. The ICGN stated that boards should have a ,sufficient mix of relevant skills, competence, and diversity of perspectivesf.

Major institutional investors, California Public Employees• Retirement System (CalPERS) as well as Amazon, have included gender diversity as an indicator among their investment criteria.

Corporate governance rating agencies such as GMI* Ratings are increasingly developing tools to measure gender diversity as a key performance indicator for corporate performance and investment recommendations.

Investors around the world are urging companies to improve their board gender diversity.

The board of directors• primary responsibilities includes effective governance of the company leading to its long-term success.

A number of propositions exist for the business case for diversity on boards:

- „ Diverse boards tend to be more independent and, with fewer ties to management, can have a greater ability to monitor managers objectively.
- „ Diversity improves board decision making as a result of unique perspectives, increased creativity, and non-traditional innovative approaches. ,More the diversity, more the creativityf even International research shows that a diverse set of perspectives is likely to result in improved board practices, stronger ability to foresee and manage risks, and better strategic decision making.
- „ Diversity improves information provided by the board to managers due to special skill sets, experience and complementary knowledge held by diverse directors.
- „ Diverse directors provide access to important constituencies and resources in the external environment.
- „ Board diversity sends important positive signals to the labor, product and financial markets.

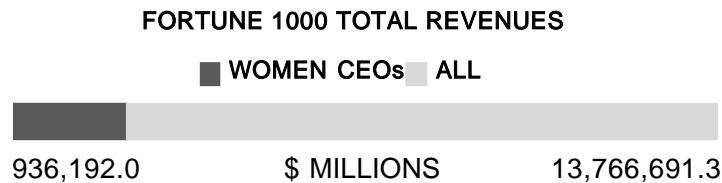
Research conducted mainly in developed economies suggests evidence of benefits of gender diversity on boards, including the positive contributions to good corporate governance practices, which in turn promotes balanced decisions, efficient oversight of financial management, enhanced accountability to shareholders and prudent risk management.

*Independent global corporate governance ratings agency.

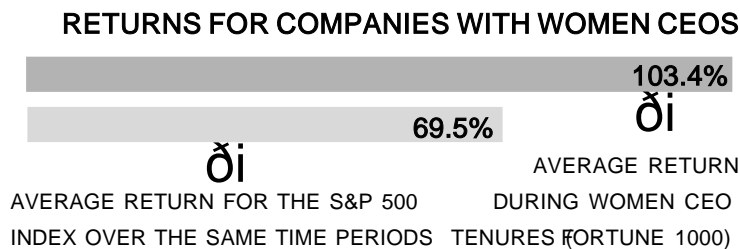
Is it financially beneficial?

Companies with more women in executive positions tend to have higher profits.

According to Fortune Magazine's analysis of data in the year 2014, only...5% of...Fortune...1000 companies have...female...CEOs, but those giants generate...7% of the...Fortune...1000's total revenue.



According to aforesaid analysis, Women-led companies tend to reward...investors well. Fortune 1000 companies with a woman in the top role generated an average return of 103.4 percent during their tenures, compared to an average 69.5 percent return for the S&P 500 stock index over the same periods.



SOURCE: INTERACTIVE DATA VIA FACTS RESEARCH SYSTEM

Credit : Fortune

Other studies have found that companies run by women outperform others. Hedge funds run by women had a 6 percent return between 2007 and 2013, beating both a global hedge fund index at the stock market. And Vietnamese companies with women CEOs have tripled their gains over the past five years, nearly twice the gain made by a benchmark index.

Numerous studies have also found that companies with women on their boards of directors perform better than male-only ones. Others have hinted at why: women are more likely to be cooperative in decision-making and to consider the rights of others, which leads to better company performance, and women on

boards tend to keep companies from paying more for acquiring other companies and reduce the number of acquisitions overall, which protects shareholder value.

According to research on diversity at work by services company Sodexo, Shareholder returns were on average 53% higher and profit margins 42% better in companies where at least one in three board members were female. (September 2013)

Andre Spicer, professor of organisational behaviour at City University, London, said that the study was the latest to establish a link between female management and improved corporate performance.

Prof. Andre Spicer opined that ,By appointing more women, companies have a more diverse workplace where traditional assumptions are challenged, leading to better products, better services and more innovation.f

In 2010, McKinsey & Company analyzed companies from Europe, Brazil, and India, among others, showed that companies with the highest share of women in their senior management teams outperformed those with no women by 41 percent. In terms of return on equity, the ,top-quartile groupf exceeds by 41 percent the group with no women.

Several other studies have also shown that gender diversity pays off and that there is a positive correlation between the share of women in senior positions and with company performance. For example, a study conducted in Finland found that firms with a gender-balanced board are, on average, 10% more profitable than those with an all-male board.

Catalyst study on corporate performance and women•s representation on boards (2007) found that companies with more women on their boards were found to outperform their rivals with a 42% higher return on sales, 66% higher return on invested capital and 53% higher return on equity. Studies have shown that where governance is weak, female directors can exercise strong oversight and have a positive value relevant impact on the company. The study further shows that stronger-than-average results prevail at companies where at least three women serve i.e. financial performance at the companies with 3 or more women board directors was better than average of others.

A study by Smith and Verner using a sample of the 2500 largest Danish firms over the period 1993-2001 analyzed empirically whether the proportion of female top CEOs or members of boards of directors really affects firm performance. The effect on firm performance of a higher fraction of female top CEOs varied from none to positive.

Furthermore, the results show that the positive performance effects are mainly related to female managers with a university degree while female CEOs who do not hold a university degree have a much smaller or insignificant effect on firm performance. The conclusion is ambiguous and depends both on the measure of performance and the measure of the proportion of women in management.

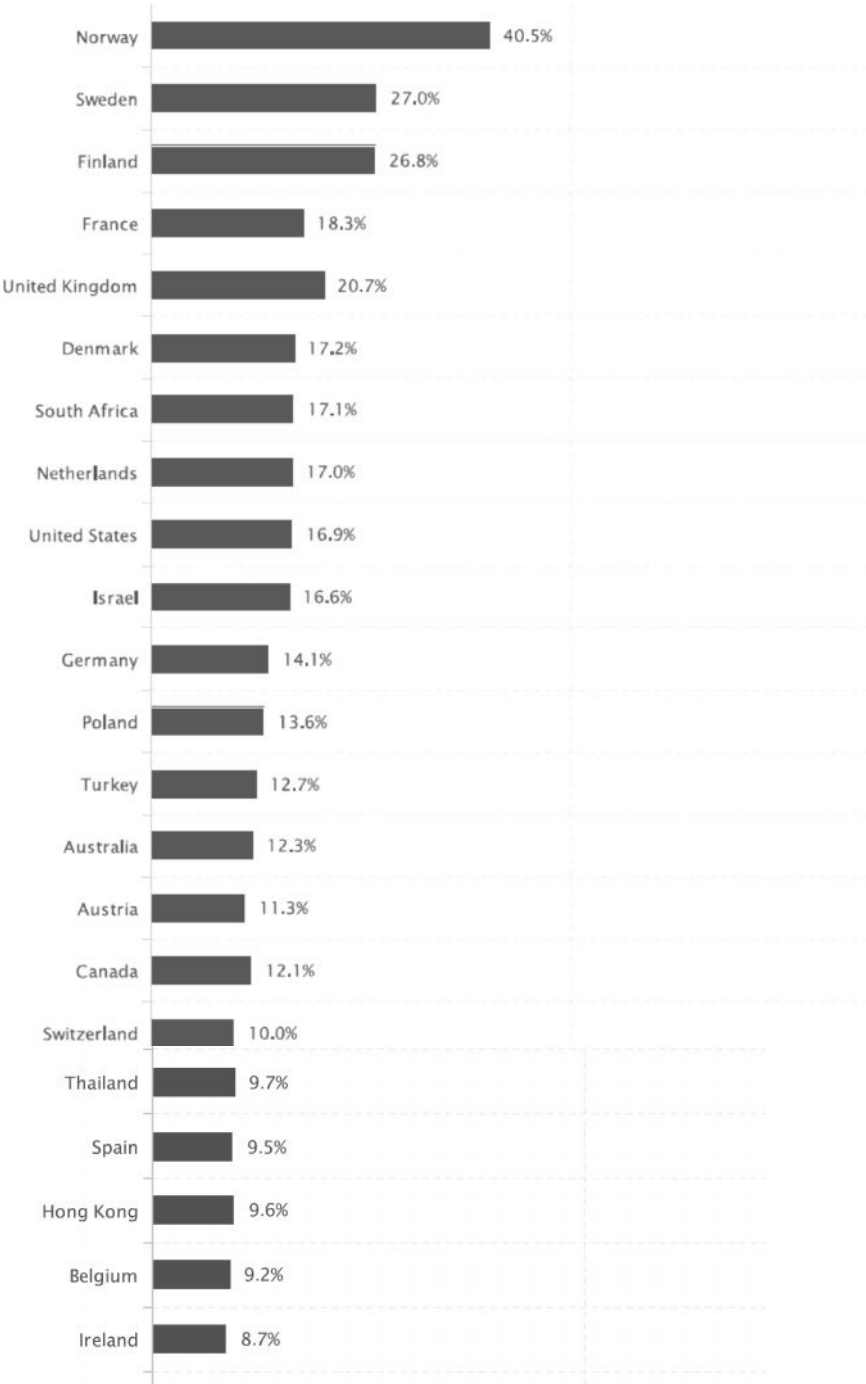
Moreover, the two studies that present the most rigorous evidence find the opposite result: corporate board quotas led to poorer financial performance in the short run in Norway (Ahern and Dittmar 2011 & Matsa and Miller 2011). Nevertheless, one of the Norwegian studies also finds that these losses resulted from the younger age and lack of high level experience of new board members rather than from their gender (Ahern and Dittmar 2011).

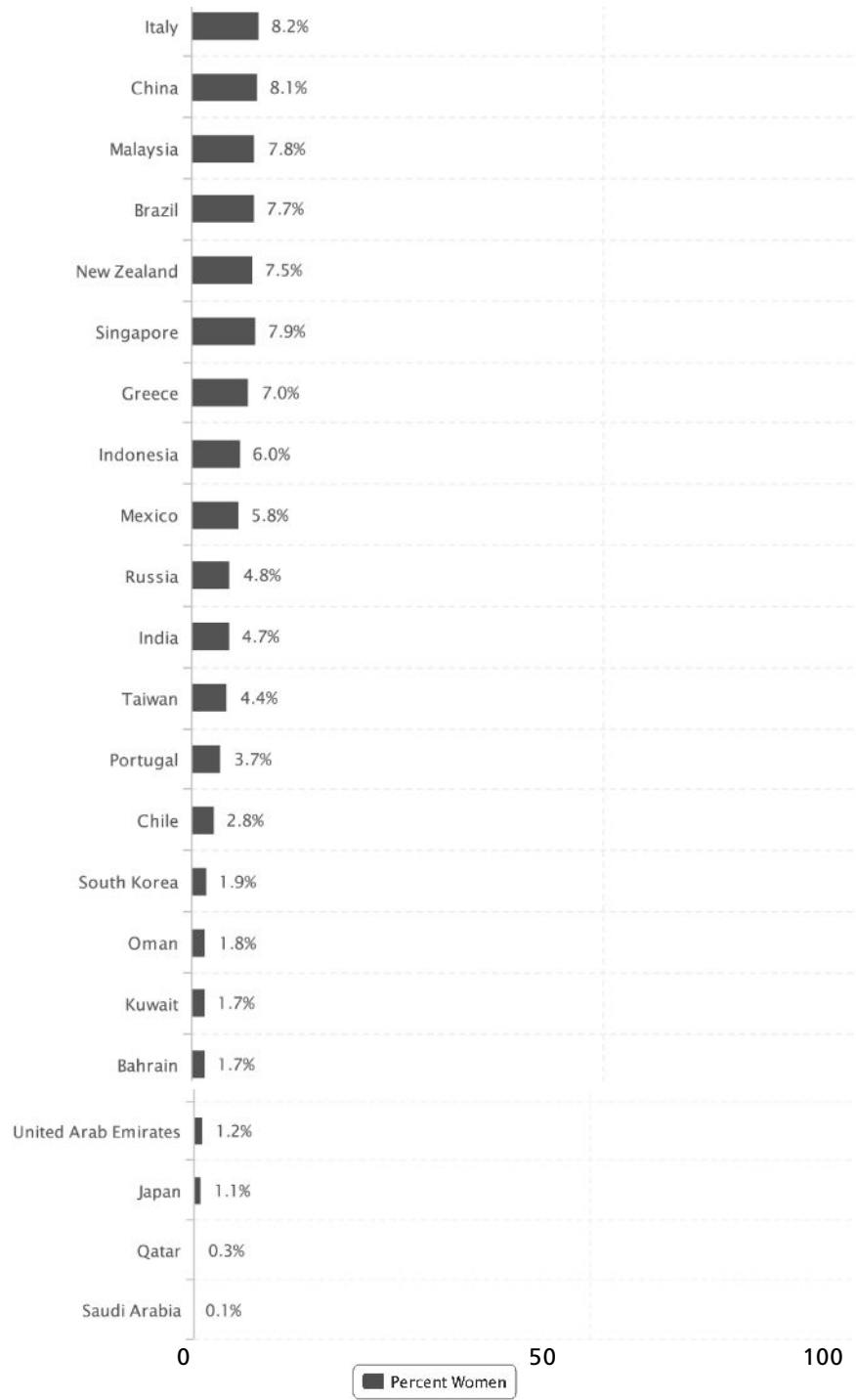
These studies give us a factual snapshot that can only argue in favour of greater gender diversity.

Times of India commissioned study in 2014 on the relation between companies with women on their boards and profitability. An analysis of return on equity (ROE) data of top 100 Indian companies (BSE 100) by Randstad, a leading HR services provider, says that companies with women on their boards have a positive impact on ROE.

The study reveals that the board of a private sector company, run by a professional CEO with a mix of both men and women, helped ROE rise by 4.4% in 2014 over the last year. In contrast, a similar company with a men-only board saw its ROE rise by a mere 1.8% in the same period.

Global Board Seats Held by Women



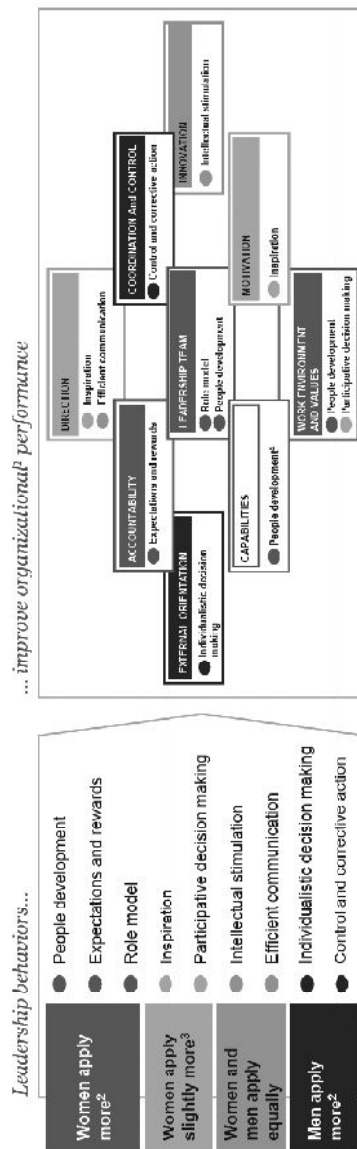


Source: Quick Take 2014-Catalyst

WOMEN MATTERS

According to McKinsey & Company, Women Matter study, 2013 on *“Gender Diversity in top Management: Moving Corporate Culture, Moving Boundaries”* companies with ‘critical mass’ of female executives perform better than those with no women in top management positions. The reason for this outperformance lies in the leadership behaviors that women leaders tend to exhibit more often than their male counterparts.

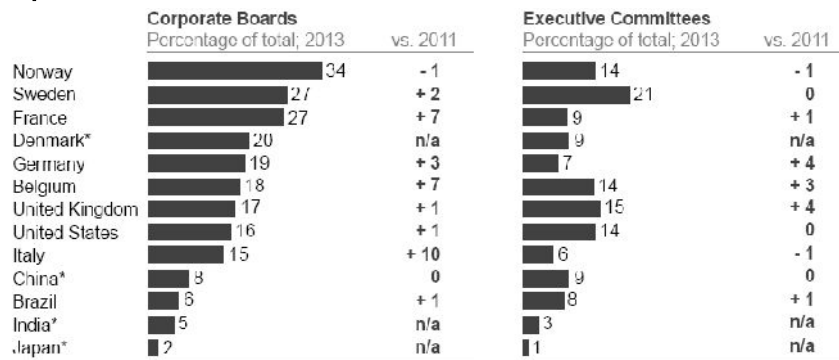
The leadership behaviours more frequently applied by women improve organizational performance by specifically strengthening these dimensions.



1 If more frequently applied on average
 2 Frequency gap ≥ 4%, statistically significant (t-test ; p<0.05)
 3 Frequency gap of 1%, statistically significant (t-test ; p<0.05)
 4 Indirect impact on organizational performance driver
 SOURCE: Alice H. Eagly, Johannesen-Schmidt, and Van Engen, *Transformational, Transactional, and Laissez-Faire Leadership Styles*, 2003; McKinsey analysis

The study further analyzed the composition of the corporate boards and executive committees. The results showed that women are still underrepresented at the board levels. At the level of executive committees, the situation is also not encouraging. The lowest rates for women at this level are in Asian countries, with Japanese companies at 1%. However, even Sweden, the highest-performing country in this respect, has only 21% of women in company executive committees.

In 2013, women are still under represented at the top of corporations



* The numbers for Denmark, India and Japan reflect the situation in 2011, and for China 2012.
SOURCE: Company websites, McKinsey analysis

This research has shown that companies must work hard to transform mindsets and culture. These are crucial elements in the achievement of gender diversity. If left unattended they can become persistent hindrances to progressive development.

BARRIERS TO GENDER DIVERSITY

Reasons for the disparity are many. Boards are composed primarily of men, who tend to hire people like themselves – other men. This creates a self-perpetuating cycle in which women are not able to join boards and therefore gain no board experience – and so are overlooked for other openings. Also, corporate culture in many countries is not family-friendly, with mothers who take time off from work are not considered suitable candidates for executive positions. Childcare costs, policies, and hours make it difficult for many women to juggle work and home life in a way normally expected of corporate board members.

In Singapore, the Diversity Task Force regarding Women on Boards (DTF) was set up in 2012 by the Ministry of Social and Family

Development, to examine the state of gender diversity on boards, and its effect on performance and governance. In April 2014, the DTF issued a report that shies away from recommending quotas concerning women on boards, but acknowledges that gender diversity is lacking on the boards of Singaporean companies.

In its April 2014 issue, 'Gender diversity on boards' A Business Imperative, DTF has highlighted the following possible reasons for poor gender diversity:

- There is low awareness about the importance and benefits of gender diversity on boards and little is being done by companies to improve the situation. Many companies are not yet convinced about the benefits of gender diversity, thus boards rarely discuss the issue and little is being done by companies to address it.
- Some boards may not be comfortable recruiting directors not known to them, or who may hold certain views on gender roles in family and business. What is at play here could be what many refer to as "unconscious bias" whereby people apply their attitudes, thoughts and values, to the decision-making process without realising it.
- There is also a lack of the use of a formal search and nomination process when boards recruit directors. Most rely heavily on their personal networks, making it more difficult for qualified females to be identified and appointed. Out of the SGX-listed companies which responded to the survey, 89% use personal networks, with 42% using other method.
- In addition, directors look for certain attributes like previous board experience, or experience in traditionally male-dominated industries (e.g. engineering, science) or functions (e.g. information technology, sales). This further limits the opportunities for women to join boards.
- There are various factors affecting the supply and pipeline of women. Family responsibilities tend to fall on women and many sacrifice their career or cut down on work-related activities. This is especially so when there is extensive travelling involved or inflexible work arrangements. Some women are uncertain of how their skill sets fit the needs of

the boards and are shy in putting themselves forward for board positions. Men are seen to be more assertive in putting themselves forward.

According to the McKinsey & Company *Asian Perspective survey, 2012* - 40 percent of business leaders ranked the “double burden” of women in Asia—holding a job while looking after their families— as the greatest obstacle preventing women from moving into senior roles in the corporate sector. This was followed by the anytime, anywhere working model that expects senior managers to work round the clock. Other reasons like reluctance of women to promote themselves, lower ambition than men, absence of female role models and women’s inability to network like men also find a mention.

In India, Korea, and Japan, almost half believed that family commitments were the primary reason for women leaving their jobs voluntarily.

Other reasons include the following:

Societal perceptions

In almost all societies, women have occupied the primary caretaker/ homemaker role, while men generally took the role of provider. As women increasingly come to occupy a provider role too, society’s perceptions of how the trade-offs between women’s caretaker and provider roles should be weighed is changing, and many women themselves struggle each day to achieve a satisfying balance.

Child care

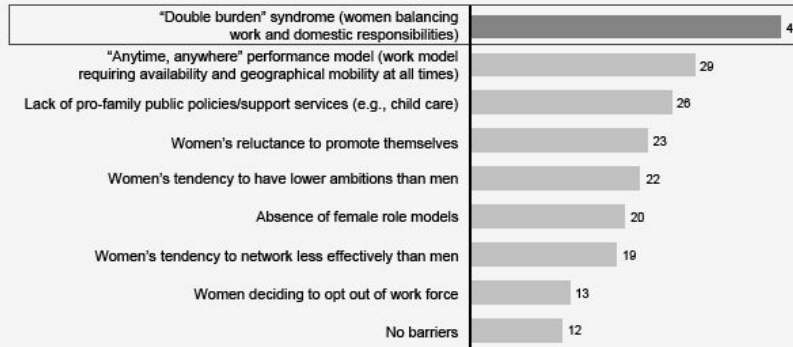
In both the developed and developing countries around the world, many women have neither access to an extended family network capable of providing high-quality child care nor affordable child care resources.

Lack of available or affordable child care represents a significant barrier to women’s economic participation. Due to this, their productivity at work suffers, and they are left with feelings of stress and unease.

Barriers to gender diversity within senior management

"In your opinion, which are the biggest high-level barriers, if any, to increasing gender diversity within the top management of corporations?"

Percent of respondents who selected each measure



SOURCE: Women Matter: An Asian Perspective, 2012

GENDER DIVERSITY ON BOARDS IN VARIOUS JURISDICTIONS

AUSTRALIA

There are currently no gender quotas for women on boards or in senior management positions.

The Corporate Governance Code in Australia known as "ASX Corporate Governance Principles and Recommendations" contains a number of recommendations relating to gender diversity. Recommendations are as follows :

Recommendation 3.2

- Companies should establish a diversity policy and disclose the policy or a summary of that policy.
- The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

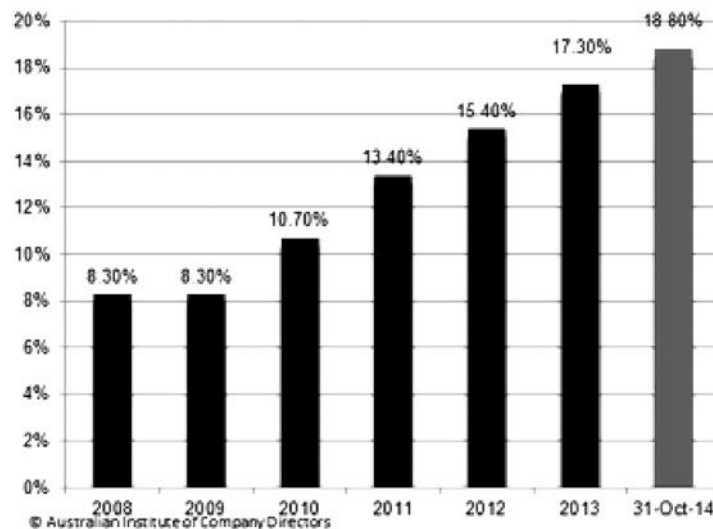
Recommendation 3.5

- The diversity policy or a summary of its main provisions should be made publicly available, ideally by posting it to the company's web site in a clearly marked corporate governance section.

Data on appointments to S&P/ASX 200 Boards

- The latest percentage of women on ASX 200 boards is **18.8%** (as on 31 October 2014).
- The percentage of women on boards of ASX 200 companies and the proportion of women comprising new appointments increased significantly in 2010, 2011, 2012 and 2013, as shown below.
- A total of **34** boards in the ASX 200 still do not have any women.

Percentage of female directorship on ASX 200 boards



Source: Statistics for 2008 are drawn from EOWA's 2008 Australian Census of Women in Leadership. Statistics for all other years are based on the Australian Institute of Company Directors research. Company rankings data provided by S&P/ASX 200.

CANADA

In March 2014, the Boards of Directors Modernization Act was introduced to the Canadian Senate. The Act received a second reading in the Senate in July and was referred to the Standing Senate Committee on Banking, Trade, and Commerce.

If enacted, the boards of directors of public companies, state-owned enterprises, and certain financial institutions would have

to comprise at least 40% -women and 40% men. These quotas would take effect as of the sixth annual meeting of shareholders and policyholders after the passage of such a law, and the quotas would be 20%, respectively, as of the close of the third annual meeting.

In June 2014, a federal advisory council of business leaders recommended a target level of 30% female board representation within five years, but rejected a quota system.

In January 2014, the Ontario Securities Commission (OSC) drafted comply-or-explain rules that would require companies listed on the Toronto Stock Exchange (TSX) to disclose policies and targets for female directors as well as how many female directors they have. At the time, a majority of TSX companies did not report any of this information.

Mandate of the Canadian Board Diversity Council (CBDC):

In 2013, the Canadian Board Diversity Council conducted a special analysis of the diversity of the Boards of Directors of the TSX60.

The TSX60 is a stock market index of the 60 largest companies listed on the Toronto Stock Exchange (TSX) as measured by market capitalization.

The boards of TSX60 companies have 737 seats on them. Women represent 18.0% of TSX60 directors (133). This ratio is slightly higher than the 15.6% of directors who are women from the FP500. FP500 represents Canada's 500 largest organizations.

HONG KONG

There are currently no gender quotas for woman on boards or in senior management positions.

Hong Kong Exchanges and Clearing Ltd (HKEx) provides for Corporate Governance Code on board diversity. According to the Code Provision, by 1 September 2013 all companies listed on Hong Kong Stock Exchange were required on 'comply or explain' basis, to -

- have a policy on board diversity;
- disclose the policy and any measurable objectives for implementing the policy; and

- report on progress on achieving those objectives.

The implementation date for the amendments was 1 September 2013.

Whilst the Code does not require companies to specifically report on gender diversity, tracking the representation of women on boards is clearly an important aspect for companies to consider.

It provides a very tangible measure by which companies can assess the composition of their boards and ensure they are including a diversity of perspectives.

Community Business has published the **Standard Chartered Bank Women on Boards: Hang Seng Index 2013 report**, which analyzes the representation of women on the corporate boards of Hong Kong's top companies, as listed on the Hang Seng Index, with a view to highlighting the importance of gender diversity.

Key Findings of the Report:

Hong Kong is making little progress in bringing women into the boardroom – female representation on the boards of HSI listed companies shows very little improvement from 9.0% in 2012 to 9.4% in 2013. Indeed, this slow progress has been evident since 2009 (8.9%) when the study was first carried out.

If it is assumed that the total number of directors remains the same at 649, at the current rate of just four additional female directorships each year, it will take approximately 49 years to secure 30% representation of women on boards and 81 years to reach parity.

Representation of Women on Boards of HSI Companies at the beginning of 2013:

- Out of total of 649 directorships on the HSI, only 61 are held by women, an overall risk of just four new female directorships since 2012.
- With some women holding multiple seats, these 61 directorships are held by 53 different women- an increase of only 3 women since 2012 and an increase of only 6 women since 2009.
- Of a total of 77 new directorships appointed in 2012, just nine (11.7%) were made to seven different women.

Female Executive Directors in HSI companies

- Only 24.0% (12 companies) of HSI listed companies have female executive directors which have remained static since 2012.
- There has also been no movement in the number of female executive directors since 2009- number remains unchanged at just 15 women, representing just 6.9% in 2013.
- Consequently, there has been an overall percentage decline for both these indicators.

As in previous studies, there continues to be only one company with a female Chair (China Resources Power Holdings Company Ltd) and only one company with a female CEO (Hang Seng Bank Ltd). This data suggests that Hong Kong's leading companies are still failing to create workplace cultures or environments that enable women to rise up through the organisation and take on board roles. However, a consistent key trend that has been followed is that companies with female executive directors are more likely to have multiple female directors and a higher percentage of women on their board.

NEW ZEALAND

There are currently no gender quotas on boards and in senior management positions.

Listing Rule on Gender Diversity

Under Listing Rule 10.4.5(j) of New Zealand Stock Exchange, listed companies (excluding overseas companies) are required to include in their Annual Report quantitative data on the gender breakdown of the Directors and Officers at the financial year end and including comparative figures for the prior financial year end.

The table below summarises the aggregated data for all companies that released their gender diversity statistics to the market in the three months ended 30 June 2014. The YTD (year to date) figures reflect the total data disclosed in the period between 1 January 2014 and 30 June 2014, compared to the same period last year. There are differences in the companies that comprise the two sets of data due to differences in the timing of releases as well as listings/delistings that have occurred during the periods.

	<i>Q2 2014 (to 30 June 2014)</i>	<i>YTD 2014</i>	<i>YTD 2013</i>
No of companies	39	50	41
No of Directors (male / female)	183 / 22	248 / 29	205 / 18
% of Directors (male / female)	89% / 11%	90% / 10%	92% / 8%
No of Officers (male / female)	180 / 51	233 / 68	193 / 57
% of Officers (male / female)	78% / 22%	77% / 23%	77% / 23%

Source: NZX Limited

The 25 Percent Group

This group made up of the chairs, directors and chief executives of 12 leading private and public sector organizations in New Zealand, is committed to achieving 25 percent female participation on private sector New Zealand Boards by 2015.

The 25 Percent Group, supported by the Ministry of Women's Affairs, has established a website to provide access to research and practical advice on how to improve gender diversity at board level (see www.25percentgroup.co.nz/) and its charter includes a commitment to support companies to meet NZX diversity reporting rules.

Together, initiatives such as these will lead to more opportunities for women on boards and to improved corporate performance.

SINGAPORE

There are currently no gender quotas for woman on board or in senior management positions.

According to Singapore Board Diversity report, 2013, Women in Singapore still hold less board positions compared to their counterparts in Indonesia, Malaysia, China, Hong Kong and Australia. Out of every 100 board directors in SGX-listed companies, **only 8 are women.**

Women continued to be even more under represented in leadership positions on the board. CEO- 4.6% and Chairman – 3.4% **Less than 5%** of CEOs or Chairmen are women.

Of the 677 SGX-listed companies studied, 7.9% (367) of the total number of board directors were women. There were 335 women in our director's database, some of whom held more than one directorship in a listed company. This is slightly higher than last year (7.3%) and the year before (6.9%), representing a slow upward trend since the launch of the research in 2011.

Compared to regional peers such as China (9.0%), Hong Kong (9.4%), Indonesia (11.6%) and Malaysia (8.7%), Singapore remained behind on gender diversity in the boardroom.

All-male boards – companies that had no female directors – remained high at 58.2%; a marginal improvement on last year.

The proportion of women on boards varied by industry. **According to industry**, gender diversity can be found most in properties and hotel/restaurants, and least in manufacturing. **The finance industry** made the most improvement in the year 2013. Properties, hotels/restaurants, commerce, construction and transport, storage and communication (TSC) all scored above 8%. Manufacturing and multiindustry scored lowest. The finance industry improved from 6.8% to 7.8%, although it remained slightly below average.

Women continued to be even more under-represented in leadership positions on the board. 4.6% of the CEOs and just 3.4% of the Chairmen were women. This was similar to last year's figures. In terms of board committee leadership, we found that 5.5% of the nominating committee chairs, 3.6% of the remuneration committee chairs and 2.8% of the audit committee chairs were women.

Women continued to occupy fewer directorships per person than men did, with 17.2% of the men holding more than one board position, and just 6.3% of the women.

Most of the women held an executive directorship, with 49% of female directorships falling in this category, compared to just 34.9% of the directorships held by men. Other directorships women held were non-executive (19.9%) and independent (27.5%). Men more often held non-executive directorships. As in prior years, and globally, female directors tended to be younger than their male counterparts.

In the year 2013, a gender diversity ranking was also introduced, which measures not only the number of women but also their leadership roles.

Board Agender

BoardAgender is an outreach arm of the Singapore Council of Women's Organisations (SCWO) and its aims are endorsed by the Ministry of Community Development, Youth and Sports in Singapore.

BoardAgender aims to provide a forum in Singapore to facilitate a greater awareness and understanding of the benefits of gender balanced business, and the advancement of more women into senior leadership roles and the boardroom.

More than half of the Singapore population is female, and yet only a small percentage of the vast pool of well-educated and experienced business women are represented in the senior ranks of corporations as discussed above.

100 Board Agender Champions

The 100 BoardAgender Champions is a campaign of the BoardAgender which applauds the 100 leaders and their organizations in Singapore that recognise the contributions of female talent in the workplace, and the advancement of women into the ranks of senior leadership roles and into the boardroom.

MALAYSIA

On 27 June 2011, Prime Minister Datuk Seri Najib Tun Razak announced that the Malaysian Cabinet approved a policy where corporate companies must achieve at least 30 percent representation of women in decision-making positions in the private sector, to promote gender equality.*

Women must comprise 30 percent of boards and senior management positions of public and limited liability companies, in which there are greater than 250 employees, by 2016.** This approved policy is an extension of a similar government policy introduced in 2004 for civil services that resulted in the number of women working in government agencies increasing from 18.8 percent that year to 32.2 percent last year.***

* *The star, more women now on Board, July 26th 2011.*

** *Credit Suisse, Gender Diversity and Corporate Performance, August 2012.*

*** *China Daily, Malaysia mandates 30 percent women representation in corporate's boardroom level posts, June 27, 2011.*

Table 1 shows some representative statistics about female board membership in Malaysia.

Table 1: Indicators of female board membership in Malaysia

Type of corporate entity	Percentage of women on board
Financial institutions	6
Insurance firms	7
100 largest domestic companies	7.8
Companies listed on Bursa Malaysia	7.6
Government-linked companies (GLC)	8.8

Source: Proceedings of 3rd Global Accounting, Finance and Economics Conference 5 - 7 May, 2013, Rydges Melbourne, Australia

NAM Institute for the Empowerment of Women (NIEW) Malaysia, an agency under the purview of the Women, Family and Community Development Ministry, has developed the Woman Directors Programmes to groom potential and qualified women leaders to be effective board directors. This is a positive initiative from the government to achieve the target and have more women's representation at decision-making levels by 2016.

UNITED STATES

In December 2009, the Securities and Exchange Commission, U.S. approved a rule that would require disclosure of whether a nominating committee considers diversity in identifying nominees for director. If the nominating committee or the board has a policy with regard to the consideration of diversity in identifying director nominees, the rule requires disclosure of how this policy is implemented and how the nominating committee or the board assesses the effectiveness of its policy. The SEC rule does not define diversity, but instead, allows companies to define the term. Therefore, diversity can include, but not be limited to, gender, background, race, and education. These rules are effective from 28th February 2010.

The SEC reviewed the disclosures made by several hundred companies resulting from the new diversity disclosure requirement. From this review, the SEC issued a number of comment letters. The

results of this review seem to indicate that there are two primary areas of compliance weakness.

First, some companies are failing to disclose important information regarding their board of director diversity policies. These companies are drawing a false distinction that disclosure is only required if the company has a “formal” policy, rather than an “informal policy.”

It also states that if a company has a “policy with regard to the consideration of diversity in identifying director nominees,” the company must disclose “how this policy is implemented and how the nominating committee or the board assesses the effectiveness of its policy.”

This disclosure does not depend on whether the policy is defined as “formal” or “informal.” Investors do not care if the diversity policy is formal or informal; they care about the substance of the policy and whether it is effective.

Second, for those companies who do disclose they have a policy, the SEC observed the incomplete disclosure regarding the evaluation of the effectiveness of the policy. Thus, companies are complying with the first prong of the rule but not the second—which requires the company to disclose how it evaluates the diversity policy’s effectiveness.

It is important that all companies comply with both prongs of the rule. The rule requires companies to be transparent about how they treat diversity and full compliance with the rule is the only way to achieve this goal.

The *2013 Catalyst Census: Fortune 500 Women Board Directors* report offered some sobering news for those pushing for more women on boards in the US. According to the survey, released at the end of 2013:

- Women held 16.9% of board seats in 2013, virtually no change from the previous year (16.6%).
- In 2012 and 2013, less than one-fifth of companies had 25% or more women directors, while one-tenth had no women serving on their boards.
- Less than one-quarter of companies had three or more women directors serving together in 2012 and 2013.

- Women of color held 3.2% of board seats, essentially the same as 2012 (3.3%).

In March 2014, the Thirty Percent Coalition, which is committed to the goal of women holding 30% of board seats by 2015, launched its Champions of Change initiative to convince US corporate issuers to promote women on corporate boards. The group believes that gender diversity on boards can be achieved by:

1. Corporate leaders committing to developing and recruiting talent:

- Taking steps to ensure that women candidates are routinely sought and included in the pool from which director nominees are chosen for every board search.
- Identifying within their corporations the senior executive women who are potential external board candidates, and developing and sponsoring them for membership on other corporate boards in accordance with company policy.

2. Boards adopting best practices for improving gender diversity:

- Adopting and implementing governance policies and practices that eliminate barriers to gender diversity in areas such as board recruitment, candidate screening, committee assignments, and overall board participation.
- Committing to policies in support of board member inclusiveness, realizing that gender diversity requires a critical mass of women on each board.
- Including in governance and nominating committee charters the goals of diversified board representation, inclusive of gender.
- Expanding director searches to include director nominees from corporate positions beyond chief executive officer and from diversified environments such as former government, academia, and nonprofit organizations.

In May 2014, the UK 30% Club, which aims to have 30% of board seats filled by women by 2015, launched a US chapter. Similar clubs

have opened in Hong Kong and New Zealand, with further clubs planned in Canada, Ireland, and Australia. The 30% Club in the US has a similar mission to the US Thirty Percent Coalition, which also aims to have 30% of board seats filled by women by the end of 2015. It is unclear at this time if the two groups have worked together.

In June 2014, the Pax Ellevest Global Women's Index Fund was launched, which tracks companies with a large share of women as directors and in management. The fund is a joint effort by US socially responsible investing (SRI) fund Pax World and Ellevest Asset Management.

A recent survey by PWC's Center for Board Governance in September 2014, titled *Governance Trends Shaping the Board of the Future*, found that board gender diversity is seen as very important by 61% of female directors and only 32% of male directors. Only 4% of female directors said that gender diversity was not very important, while 20% of male directors felt this way.

EUROPEAN UNION

"...it's not only a question of fairness. The presence of women in the leadership of a country or a region or a business is a question of good governance"

– *Michel Barnier, the European Commissioner*

In November 2013, the European Parliament voted 459 to 148 (with 81 abstentions) to back the European Commission's proposed law to improve gender balance on the boards of European companies. The legislation requires non-executive directors to be 40% women by 2020, up from 16.6% in 2013.

Small and medium-sized enterprises are excluded from the scope of the directive, but EU Member States are invited to support and incentivize them to significantly improve the gender balance at all levels of management and on boards. Member States cannot exempt companies from the law where members of the underrepresented sex make up less than 10% of the workforce, as was originally considered in the rule.

Under the Parliament's text, sanctions for failure to respect the provisions concerning selection procedures for board members should include exclusion from public procurement and

partial exclusion from the award of funding from the European structural funds.

The rules would apply to large listed companies within the EU by 2020 that have more than 250 employees, and state-owned companies by 2018. If enough European governments back this proposal it could become law. However, there may be a “blocking minority” of countries that do not support the issue of enforced quotas, preferring to adopt voluntary measures.

To become law, the Commission’s proposal needs to be adopted jointly by the European Parliament and by the EU Member States in the Council (which votes by qualified majority).

GERMANY

In November 2013, Germany’s Christian Democrats and Social Democrats agreed on a gender quota on supervisory boards. Issuers would be required to have women comprising 30% of non-executive directors by 2016. According to the plan, as of 2015 major companies would be required to set their own binding goals for increasing the number of women on their supervisory boards. The planned legislation would require firms that don’t meet the 30% mark to leave those seats vacant.

At the end of 2013, among the 30 largest companies on Germany’s blue-chip DAX index, women held about 22% of supervisory board seats and about 6% of executive board seats.

The current plans under discussion by the government would apply to listed companies with employee representation on their supervisory boards, which would affect more than 100 firms.

The quotas are to be phased in beginning in 2016, with the emphasis on filling vacancies with women rather than overhauling supervisory boards.

The German Corporate Governance Code, which applies to listed companies, was updated in 2010 and contains recommendations aimed at promoting greater female representation on Supervisory and Management Boards. Specifically, the code states that:

- The Management Board shall take diversity into consideration when filling managerial positions and, in particular, aim for an appropriate consideration of women.

- The Supervisory Board shall respect diversity and, in particular, incorporate appropriate consideration of women when appointing the Management Board.
- The Supervisory Board shall specify concrete objectives regarding its composition which shall, in particular, stipulate an appropriate degree of female representation.

While compliance with the recommendations is not mandatory, non-compliance must be disclosed annually.

Despite all debates about equality and promises by German companies, the proportion of women in German supervisory boards has declined. That's according to the current Women-on-Board Index, presented by the association Women in Supervisory Boards (FidAR) in Berlin in October 2014.

Overall, only 5.8 percent of current board members are women, while this figure was distinctly over 6 percent a year ago. The number of women in executive positions is declining for the first time since 2011.

Corporate boards are becoming more female oriented

The situation is better for women on the boards of publicly-listed German companies, in which 18.9 percent of supervisor positions are currently held by women. Three years ago, it was only 10 percent.

Experts suggest this increase can be attributed to the mandatory 30 percent gender quota, scheduled to be introduced in early 2016, for Germany's largest companies. That means almost a third of German board members must be comprised of women.

According to the index the overall proportion of female members, both in supervisory and management boards, was 12.4 percent. According to FidAR, with an increase of 5.9 percent in just three years, was only a slight improvement, and there was still "plenty of potential for change".

UNITED KINGDOM (UK)

There are currently no quotas for women on boards or in senior management positions.

In February 2011, Lord Davies launched an independent review

into Women on Boards which had been commissioned by the UK Government.

He recommended that UK listed companies in the FTSE 100 should be aiming for a minimum of 25 percent female board member representation by 2015. He has recommended in his report for government that FTSE 350 companies should be setting their own, challenging targets and expects that many will achieve a much higher figure than this minimum. The report says that companies should set targets for 2015 to ensure that more talented and gifted women can get into the top jobs in companies across the UK. Lord Davies also calls on chairmen to announce these goals and Chief Executives to review the percentage of women they aim to have on their Executive Committees in 2015.

In response to Lord Davies' report, the UK Financial Reporting Council (FRC) published two revisions to the UK Corporate Governance Code to require companies to report annually on their boardroom diversity policy and to include gender diversity in the evaluation of board effectiveness. These took effect for periods commencing on or after 1 October 2012, but the FRC strongly encouraged early adoption.

The 30% Club is an initiative established and led by Helena Morrissey, CEO of Newton Investment Management, is a group of Chairmen and organizations committed to bringing more women onto UK corporate boards. It aims to stimulate debate and influence the political agenda, provide information and support for chairmen seeking to diversify their boards, work with related groups such as the Davies Committee, and track progress towards the target of 30 percent of boards to be women by 2015.

In January 2014, the UK Professional Boards Forum released a report showing that women now make up 20% of FTSE 100 boards, up from 17% early last year. The report suggests that the UK may reach 25% by 2015, a goal set by the Mervyn Davies review in 2011.

A progress report on women on boards released in March 2014 by the UK Department for Business, Innovation & Skills showed that the representation of women on the boards of FTSE 250 companies rose from 12.5% in 2011 to 20.7% in 2014. The report highlighted progress made in placing women on boards and in opening new avenues to leadership positions for women, but also addressed

the challenges of reaching the targets set by the original 2011 report of 25% board representation. The report found that only 25% of executive search firms claim a commitment to the code on their websites, and just 12% share data on their success rate in hiring women. The report goes on to recommend creation of a database of board-ready women to share with search firms and boards.

NORWAY

Norway was the first country to introduce board gender quotas in 2006 when the Norwegian Public Limited Liability Companies Act was amended to state:

- If the board of directors has two or three members, both sexes shall be represented.
- If the board of directors has four or five members, each sex shall be represented by at least two directors.
- If the board of directors has six to eight members, each sex shall be represented by at least three directors.
- If the board of directors has nine members, each sex shall be represented by at least four directors.
- If the board of directors has more than nine members, each sex shall be represented by at least 40 percent directors.

Public limited companies had until 1 January 2008 to meet the requirements. The final consequences for non-compliance is the dissolving of the company, however no public limited company has been dissolved on account of the non-compliance of gender rules.

When Norway introduced a 40% quota for female directors of listed companies in 2006, to come into force in 2008, it was the first country. Non-complying firms could theoretically be forcibly dissolved, though none has in fact suffered such a fate. Since then gender quotas for boards have been imposed in Belgium, Iceland, Italy, the Netherlands and Spain (though with less severe sanctions: non-complying firms must generally explain in their annual reports why they fell short and what they plan to do about it).

SPAIN

In 2007, the Spanish Parliament passed a "Law of Equality" (Spanish Organic Law on gender equality of 2007) which encourages large companies to alter the membership of their boards gradually until each sex makes up at least 40 % by 2015.

The Corporate Governance Code of 2006 recommends adequate gender diversity on the board (all board members: executives and non- executives).

The rule is a recommendation and there are no sanctions for failure to comply. Nevertheless taking measures to reach the target of a balanced composition on the company board may be taken into account in practice in awarding the company with the "equality label" and the government has disclosed it will take compliance into consideration in awarding of certain public contracts.

Other initiatives

The Spanish Securities and Exchange Commission's (CNMV) Corporate Governance Code recommends that listed company boards include women with appropriate business backgrounds when seeking additional directors. Companies not following this recommendation must provide an explanation.

BELGIUM

The Belgian law on gender diversity (minimum 1/3 male directors and 1/3 female directors) was approved on 28 July 2011, and made effective on 14 September 2011.

In the context that directors mandates are usually for a six years period (maximum allowed), the quota is to be respected from the first day of the 6th fiscal year following the publication of the law.

This obligation is to be applied by listed companies. For some state-owned companies, the same rule applied but commenced in 2012.

A new article 518b was inserted in the Belgian Code of Companies, in July 2011 which provides that companies whose securities are admitted for offering for negotiation on a regulated market, are obliged to have at least one third of the members of a different gender than the other members. For the purpose of this provision,

the minimum number of members of a different gender is rounded off to the nearest whole number.

The law did not take effect immediately. The legislators did not want to affect the existing mandates of the directors. Directors are usually appointed for the maximum period of six years. Therefore the quota imposed applied as of the first day of the sixth financial year following the publication of this law, thus for companies whose financial year equals a calendar year, it will be effective from 1 January 2017. In this way listed companies also have ample opportunity to find suitable candidates. Also companies whose securities are admitted for the first time for offering for negotiation on a regulated market should meet the quota from the first day of the sixth financial year beginning after this admission.

Other initiatives

In May 2009, the Ministry of Equal Chances of the Flemish Region, along with specific Chambers of Commerce and the Belgian Institute of Directors, established a program to promote the representation of women on company boards and in management positions. The program includes coaching initiatives and the establishment of a public database of male and female director candidates.

FRANCE

In January 2011, the French law was modified and quotas were introduced in order to improve the representation of women on boards of both listed and non-listed companies.

France has passed a law in January 2011 which established that 40% of executive board member of the largest publicly traded companies (quoted on the stock exchange, or those with more than 500 employees, with a turnover exceeding 50 million Euros over the previous three years) will be female by 2016.

Among the European countries, there are equal access legislations being considered, along with an increased focus on board membership and code of corporate governance, having a profound impact on diversity in the boardroom.

Many European countries are maintaining a focus on diversity in the boardroom, especially from a gender perspective

Effective 1 January 2017:

- The proportion of women and men directors should not be below 40 percent in (1) companies whose shares are admitted to trading on a regulated market and (2) non-listed companies with revenues or total assets over 50 million euros employing at least 500 persons for three consecutive years.
- When the board includes eight directors or less, the difference between the numbers of directors of each gender should not be higher than two.
- Any irregular director appointment means that no directors' fees can be paid to anyone until the situation is regularized.

During the transitional period to 1 January, 2017, such companies whose shares are admitted to trading on a regulated market have to:

- Reach a first step of 20 percent by the first AGM following 1 January 2014.
- Appoint at least one board member of the other gender at the first AGM held after January 2011 appointing a director if a gender is not represented at the board as at the date the law was enacted.

In July 2014, the French Parliament adopted a bill referred to as "real equality between women and men." It touches on the issue of women on boards, as well as many aspects of French life, and reaffirms the application of the Zimmermann Copé law of 2011. The law requires French public companies making at least 50 million euros in turnover and employing more than 500 workers to have 40% female board representation by 2017. The real equality bill would extend the Zimmermann Copé requirements to companies with more than 250 employees, with a goal of achieving the 40% threshold by 2020.

In this arena, France is outperforming the US and UK, according to an Ethics & Boards report. It finds as of 12 June 2014, more than 30% of directors on boards and supervisory boards of CAC 40 companies were women, topping levels of Dow Jones 30 companies (23.5%) and FTSE 100 companies (22%) at the same time.

A paper published in June compares and contrasts the French and EU methods used to achieve a better gender balance on boards. It suggests that the French approach is wider reaching as it covers

executive as well as non-executive board members, while executive directors are exempt under the EU plan.

ITALY

An Italian law that took effect in 2012 sets a target of one-third as the proportion of women on boards at Italian-listed and state-owned companies by 2015.

The terms of these so-called “pink quotas” are set at:

- One-fifth of the members of the board of directors for the first year.
- One-third of the members of the board of directors for the following years.

The regulatory body for the Italian Stock Exchange (CONSOB) will issue a warning to non-compliant companies, asking for compliance within four months.

If the company does not adapt in due time, Consob will apply a fine (a minimum of EUR 100 to a maximum of 1 million Euros for the Board, and a minimum of EUR 20,000 to a maximum of EUR 200,000 for Audit Committees). If the failure continues the Board of Directors or Audit Committee will be replaced.

NETHERLANDS

In 2013, new legislation came into force in the Netherlands concerning gender diversity on boards. Under the law, large companies (net turnover of more than 35,000 and more than 250 employees) should strive to have at least 30% of the seats in their executive boards and in their supervisory boards held by women, and at least 30% of these seats held by men.

The quota is not mandatory. If a large company does not meet the quota requirements, it must provide an explanation in its annual reports on why the quota has not been met and address ways it plans to meet the quota in the future.

The legislation is also temporary. The law will be suspended on 1 January 2016, at which time the Dutch government will evaluate its results and then decide whether to extend the regulation.

Other initiatives

The Dutch Corporate Governance Code requires the Supervisory Board of listed companies to prepare a profile of its size and composition, taking into account, among other things, the expertise and background of board members. The code further requires that the profile specify the specific objectives pursued by the board in relation to diversity. Companies must make the profile publicly available.

While compliance with the recommendations is not mandatory, reasons for non-compliance must be disclosed by the company each year in its annual report.

GENDER DIVERSITY IN INDIA

India has adopted the mandatory approach to gender diversity. Section 149(1) of the Companies Act, 2013 provides that certain classes of companies must have at least one woman director. Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 provides such class of companies to mean every listed company, other public companies having a paid-up share capital of Rs. 100 crore or more OR turnover of Rs. 300 crore or more. Woman Director may be appointed as executive director, non-executive director or independent director in the company.

Securities and Exchange Board of India through Clause 49 of the listing agreement specifies "The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors".

The provisions regarding appointment of woman director as provided in Clause 49 (II)(A)(1) shall be applicable with effect from April 01, 2015.

Diversity on boards in India is currently low, because many companies do not have any female directors; as of December 2014, only 8.9% of directors at Indian companies were women.

At present, in about 1,468 NSE listed Indian companies, 10,185 directors are men and a marginal number of 908 are women. (as per the data maintained by NSE and Prime Database)

Women on the Boards at NSE listed companies– (as on December, 2014)

Indian Boards Database (Developed and powered by PRIME DATABASE GROUP)

No. of NSE – listed companies covered : **1468**

No. of Unlisted Financial Sector companies covered : **217**

All Directors		Independent Directors	
Directors	10,185	Directors	4,494
No. of Directorship positions Held	14,984	No. of Directorship positions Held	7,759
		Cessations till date (since 2006) (for NSE – listed companies only)	5,182
Women Directors			
No. of Women Directors	908	No. of Independent Directors	382
No. of Directorship Positions Held	1,228	No. of Independent Directorship Positions Held	590
No. of Listed Companies without Women Directors : 550			

The Companies Act, 2013 also provides that the independent director may be selected from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by any body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for the use by the company making the appointment of such director.

There is a requirement of more and more professionals for serving as Independent directors on the boards of Corporate. The Prime director's database reveals that out of 4494 professionals registered on the portal for selection as Independent Directors, only 382 (8.5%) are Women. (December, 2014)

Gender diversity in India: A study

A study entitled "Women on Boards: A Policy, Process and Implementation Roadmap" conducted by Biz Divas and Khaitan & Co. provides useful discussion, analysis as well as some empirical findings about gender diversity in Indian corporate boards as compared with developments on the global scene. (Report given in August, 2014).

The report highlighted the discussions held in 8 cities by conducting 'roundtables'. The eight cities covered were Kolkata, Hyderabad, Chennai, Bengaluru, New Delhi, Gurgaon,

Pune & Mumbai. These roundtables were attended by CEOs, CFOs, proprietors and HR heads of various organizations and the different perspectives that were received with respect to this amendment was captured in the report.

As per the report, while the introduction of gender diversity in India is welcome, providing a legislative mandate is not a solution, and much lies in its actual implementation. Matters such as diversity extend beyond regulation and must percolate into the culture and DNA on the business organizations. A few thoughts:

First, gender diversity must be accepted in spirit and not just as a matter of law (that usually evolves into a mechanical “check-the-box” requirement). There is a need to guard against tokenism. It is not sufficient to merely appoint a woman director for the sake of compliance. What is required is a careful scrutiny and analysis of the strengths and contributions an individual woman director brings to the board.

Second, once the appropriate individual is appointed, the woman director’s contribution must be valued and duly harnessed by the company. Again, it would depend upon the board dynamics in individual companies and also the approach adopted by the chairman and the management.

Third, a question remains whether a single woman director on a large board is likely to have any impact. Other countries (prominently Norway) have adopted the approach of requiring a larger number of women directors. This is with a view to ensure that gender diversity has the required impact on the boards. Empirical evidence discussed in the abovementioned report suggests a robust build-up of board diversity in Norway with nearly 40% directors comprising women. Hence, while the requirement of one woman director can be considered to be the beginning of the progress towards gender diversity, the issue may have to be revisited over a period of time to explore if changes are required so as to provide for a greater number of women directors. Of course, in such a case the availability of the requisite number of women directors would also have to be considered.

ISSUES IN GENDER DIVERSITY

Quotas: Meritocracy or women card?

The introduction of compulsory quotas for the number of women that must be appointed on the company boards would certainly result in Gender Diversity on Boards, as has been demonstrated in Norway and France.

However, many boards, investors and even feminists oppose quotas as they feel companies should be free to appoint directors based on the merits of the candidate and companies need to include diversity in boardrooms in its broadest sense.

Gender quotas, intended to give opportunity to more women to serve as leaders can also be at least partly circumvented by corporations allowing directors to serve on multiple boards. The quota law in Norway is associated with an increase in women serving on multiple boards.

While the percentage of women on each board increased, this is not necessarily reflected in a proportional increase in the number of female leaders. It appears that women who are experienced with board membership were often selected to serve on boards of additional companies.

The quota can be a measure for improving the gender diversity but it can't be a solution to the barriers of gender diversity which are prevalent in both developed and developing countries. Further, before introducing quota one should ensure availability of deserving candidates for the board position otherwise it will remain a mere compliance with the law and won't solve the real purpose of Gender Diverse Boards.

Are Indian marriages ready for working women, especially in leadership positions ?

A booming economy and a changing social structure are bringing more Indian women into the workforce every year. But the same factors are making them drop out as well. How 'ready' are Indian marriages to accept professional women?

ICICI Bank Chief Chanda Kochhar once commented said "When women are in their thirties, their work and family responsibilities often peak together. It is then you find a lot of women dropping

out". "Earlier, there was compelling economic logic for women to continue working after marriage, and they had a support system. This logic has now weakened compared to the last two decades, and family support systems are definitely breaking down" She said.

"Aspirations are higher in semiurban areas. They have seen the benefits of a double-income family. Women there are more likely to keep working"

– *Shikha Sharma, MD, Axis Bank*

A marriage in which both spouses are on an equal footing is the key to women rising to top positions.

"Couples who stay in are the ones who share the chores and women who fall by the wayside are the ones who do not have a marriage that supports them"

– *says Naina Lal Kidwai.*

Should organizations make extra efforts to retain female employees ?

Many board members argue that the women at the top often bring a different perspective that is essential for risk management and serve as important role models. Yet, it is surprising to see throughout the world that women are largely absent from corporate boardrooms.

Companies can at least shed the prejudices to women in employment. A prominent headhunter recounts an incident where a senior manager dithered on hiring a young woman, fearing marriage and motherhood in the coming years would distract her. "Such mindsets die hard" the headhunter says. "A pregnancy would not be some debilitating illness that would permanently impair her performance. A 50 years old male manager could also fall ill."

As reported by the Economic Times in 2013, the Companies are leveraging on networks for high-potential women executives as well as in-house programmes to nurture women within the organisation for leadership positions with the aim of retaining top women employees.

World's largest spirits company Diageo India, whose managing director is a woman - as are half the members of its India executive team - is this year looking at expanding the scope of its global women's networking group, the Spirited Women's Network.

The group, which aims to empower and strengthen women at work, in their families, and in their communities, will now encourage a variety of management styles and behaviours as well as develop and support solutions to women's issues.

"Our aim is to make Diageo a place where our employees would want the women in their families to work," says Sarah Walton, human resources director, Diageo India.

Cadbury India recently introduced the 'My Mentor' programme to encourage high-potential women to aspire to senior leadership roles. The self-paced, 12-week programme provides an opportunity to network with both peers as well as senior business leaders, including women leaders within the business across the Asia Pacific region

The corporates should provide measures like flexibility in office timings, work from home etc. to the working women which will help in retaining the female employees.

Different people perceive company policies differently, for example Infosys has a policy for women to work from home if they have children below the age of three years. Recently, a woman employee raised the issue that it is discriminatory and the facility should be extended to men also and Infosys is going to do it soon- says Nandita Gurjar, HR Head, Infosys.

How can companies support women's advancement to more senior roles ? *(An Interview Question for women executives in community business survey)*

"Creating an environment of equality, of mutual respect, of taking the bias out and saying that we are all equal."

- Susheela Venkataramani | Cisco Systems

"Companies should be open and not be skeptical of hiring women at senior levels. It's important to have a diverse group of leaders with both men and women so as to solve problems more effectively. There have been studies that show that women leaders react in a calmer manner when compared to men in similar situations. With more diversity, we will come up with different solutions to a complicated problem/issue."

- Nidhi Sharma | AECOM India

“Everyone should be given a fair chance to perform and deliver. Capable women should be given the right coaching, roles and opportunities to get ahead in their careers.”

- Betty Thong | Accenture

“Flexible timing - having a long term programme where females can take a break and come back with the same or a higher level position.”

- Tabassum Inamdar | Goldman Sachs

“The situation is not going to change the next day; it is an ongoing process. Increasing the population of female professionals would help female talent to be more comfortable at work and help people to stay in their positions.”

- Misaki Jinnai | Deutsche Securities, Inc

India’s Top Women’s Perspective on Success of Women

“The ones who stay on, stay for the long haul...And they are usually supported by family. Successful women have a Killer work ethic”

- Anjali Bansal, MD, Spencer Stuart (India)

“Women need to have a near military like personal discipline....Letting anything slip is not an option”

- Shailja Dutt- MD, Stellar Search

“It has taken hard work to get here. But I followed this path out of choice, so I don’t think I paid a price”

- Chanda Kochhar, CEO, ICICI Bank

“My work was so important that I didn’t even think about having a family. I miss having a child but that’s a sacrifice. I have made discoveries about myself and have learnt to get ordinary people to do extraordinary things”

- Kiran Mazumdar Shaw, CMD, Biocon

NEED FOR CHANGE

While a growing number of companies and investors acknowledge that greater board diversity is good, opinions differ as to how best to achieve this. Some argue for quotas requiring companies

to put a minimum number of women on boards. They point to the rise in female representation at board level in countries such as Norway and France, which has occurred subsequent to quotas being introduced in these countries.

However, others argue that quotas undermine the principle of equality, are patronising to women and can result in situations whereby women are appointed as mere figures-heads who take on multiple boardrooms to fill quotas. Instead, they argue for a more business-led approach whereby directors are appointed on merit and business leaders take affirmative action in moving voluntarily towards a better gender diversity.

At the global level, larger companies are found to have more women on their boards, probably due to their high visibility and consequently outside pressure for greater diversity.

In India, marriage and childbirth have been cited as the main reasons for loss of female talent. Indian workplaces need to be more flexible. Policies alone won't work. Companies need to introduce internal changes to welcome women into the fold and make them stay. Norwegian companies, for example, put forward more women-oriented measures. One such initiative was to make parental leave rules more flexible. Both father and mother are encouraged to shoulder responsibilities when they have children. The country introduced a 10-week paternity leave period.

Another way to empower women is by helping them improve their networking skills. It is a known fact that men are generally better at business networking. CRISIL has a programme called Women's Initiative for Networking and Success to discuss issues relating to women and how they can move up the ladder.

Progress towards higher female participation at senior levels of corporate Asia is likely to require action by governments, the wider business community, and individual companies.

The presence of women on boards needs to be reinforced not only for the sake of creating more equality per se, but as a way of improving the corporate governance practices.

More women participation in boardrooms must not be an end in itself. Tangible benefits must be associated with such increased participation. More women should be on boards because of the evolving role of the corporate boards impelled by globalization,

tackling unanticipated competition and the need to understand new and different cultures and business climates.

Concerted efforts for gender diversity in boardrooms is a necessity. How can we ignore a huge talent pool and expect to succeed in our global economy? It comes down to having the best and the brightest - of both genders - guiding companies that are really in tune with what's happening in the market and the broader economy.

FACTORS WHICH CAN LEAD TO PROGRESS ON THE ISSUE OF GENDER DIVERSITY

How to increase the diversity, EY point of view, July 2014 issue briefed the three mutually reinforcing factors which can lead to progress on this issue are:

Focused public sector attention, committed private sector leadership and corporate transparency to meet growing public demand for change.

These three elements take different forms in different countries, consistent with the national legal, political and cultural landscape. However, in whatever form they take, together they seem to accelerate change.

Factor 1: Public sector focus and quotas

Increased attention from public officials keeps pressure on the private sector and speeds change. The approaches differ, but in each case public officials use their platforms to advocate for change.

- One approach highlighted in the report is to champion voluntary targets. In the UK, Lord Mervyn Davies continues to issue recommendations along with annual progress reports benchmarking UK businesses against voluntary targets first set in 2011. The percentage of women on FTSE 100 boards increased from about 11% in 2010 to 21% in 2014 as UK companies have risen to the challenge.
- Alternatively, more than 20 countries have adopted quotas for women on corporate boards. Some have seen dramatic change after having set significant consequences. Norway is the most prominent example. After enacting a 40% quota, it went from having 9% representation in 2003 to more than

40% in 2012. Publicly traded companies falling short of the quota can be dissolved by court order.

Factor 2: Private sector commitment leads to improved gender diversity on corporate boards and in senior leadership ranks.

Many companies are becoming more transparent about the progress they are making on diversifying their boards as well as their leadership pipelines. Several organizations, sometimes working with executive search firms, have compiled directories of “board-ready” women. According to the report, this can help to counter suggestions there aren’t enough viable female candidates for leadership and board roles.

Many businesses are also closely examining the reality that there’s not enough churn on corporate boards. This is why some boards in the US, for example, are looking at board turnover and succession planning as a strategic way to increase diversity.

Factor 3: Corporate transparency is important so that investors have the information they need to hold companies accountable.

In several countries, disclosure standards for listed companies now include requirements to report on gender diversity policies. This gives investors the information they need to hold companies accountable for board diversity.

In the US, investors have used shareholder proposals seeking greater gender and/or ethnic diversity on boards to prompt change in board policies and composition. Our report shows that of the 26 proposals we tracked in 2013, nearly 75% of the targeted companies changed their board recruitment criteria to include diversity.

What success looks like in any particular country will depend on local political realities and cultural norms. The common thread, however, is that focusing on all three of these factors can help make a difference that will benefit companies and investors everywhere.

In accordance with the Diversity Task Force regarding Women on Boards (DTF) in April 2014 issue on *Gender Diversity on Boards: A Business Imperative, the possible solutions could be to implement* a multi-stakeholder approach, where different stakeholders play their respective parts or collaborate with one another to collectively address the root causes.

The DTF does not recommend imposing quotas or setting targets at the present time, as the causes of poor gender diversity are complex.

Other measures recommended to address the issue are:

Stakeholder: Government and Regulators

1. To continue highlighting the importance of gender diversity, for the long-term competitiveness of our companies and economy.
2. To place more importance on gender diversity in the Code of Corporate Governance and SGX's rules.

Stakeholder: Industry and Academia

3. To involve captains of industry as role models, advocates and mentors.
4. To introduce programmes to train and develop board-ready female candidates.
5. To give out awards and publish rankings.
6. To publish research on gender diversity.
7. To leverage on existing "board match" initiatives in corporate and non-profit sectors.

Stakeholder: Companies and Boards

8. To develop gender diversity policy for the board and company; as well as discuss gender diversity at board meetings.
9. To adopt a formal search and nomination process for board appointments (including the use of search firms or professional associations where appropriate and necessary).
10. To implement initiatives or programmes to help qualified women to take on senior management or board positions.

Gender Diversity Policies

BARCLAY PLC

Board Diversity Policy

Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Boards of Directors of Barclays PLC and Barclays Bank PLC ('the Board').

Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Barclays Group, which is covered by Barclays Equality and Diversity Charter.

Policy Statement

Barclays recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board Corporate Governance & Nominations Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness.

- In reviewing Board composition, the Committee will consider

the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of Barclays on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

Measurable Objectives

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

At the date of adoption of this Policy, the Board's aim was to ensure that at least 20 per cent of the Board was made up of women by the end of 2013 and for that position to have exceeded 25 per cent by the end of 2015.

Monitoring and Reporting

The Committee will report annually, in the corporate governance section of the Barclays Annual Report, on the process it has used in relation to Board appointments. Such report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

Review of the Policy

The Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy.

The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Policy Governance

Policy Sponsor:	Group Chairman
Date approved:	19 April 2012
Approved by:	The Board
Date last revised:	1 July 2014
Responsibility for document management: Barclays Corporate Secretariat	

OXFAM CANADA

History

The name “Oxfam” comes from the **Oxford Committee for Famine Relief**, founded in Britain in 1942. The group campaigned for food supplies to be sent through an allied naval blockade to starving women and children in enemy-occupied Greece during the Second World War.

The first of the “international” Oxfams, Oxfam Canada was founded in 1963 and independently incorporated in 1966. The first Board of Directors included 21 distinguished Canadians. Oxfam began to provide educational materials to schools and undertake advocacy work in public policy development.

Today, Oxfam Canada works with over 100 partner organizations in developing countries; tackling the root causes of poverty and inequity and helping people to create self-reliant and sustainable communities. In Canada, Oxfam is active in education, policy advocacy and building a constituency of support for our work.

Equity and Diversity Policy

Oxfam Canada is committed to developing a diverse organization that is reflective of and responsive to the diversity of Canada and the world, in which women and men, girls and boys, in all their diversities, are respected and valued.

Approved by the Board of Directors 17 October 2010

Introduction and Scope

Oxfam Canada holds human rights, social justice, collaboration, learning and inclusion as core values driving its mission and focus on gender justice and women’s rights. It recognizes that it must align and embody these core values in all its activities and operations.

This policy provides a framework to which all other policies should conform. It provides direction to staff, members, volunteers, and the Board.

We recognize that Oxfam Canada will better reach its overall goals if it is successful in systematically identifying and removing barriers to full participation in all aspects of our work.

Policy Statement

Oxfam Canada is committed to developing a diverse organization that is reflective of and responsive to the diversity of Canada and the world, in which women and men, girls and boys, in all their diversities, are respected and valued.

Oxfam Canada is committed to promoting an equitable organization where every member, volunteer, staff and Board member can realize their potential through valued contributions.

Oxfam Canada is committed to developing an inclusive organization which is able to attract, retain and accommodate a range of diverse people who will feel valued and confident within the organizational environment.

Principles

Oxfam Canada will be guided by the principle that equity means more than treating people in the same way; it requires special measures and the accommodation of differences.

Oxfam Canada will implement training and education programs so that it will be understood that discriminatory behaviour, such as harassment, name-calling, and disparaging jokes will not be tolerated.

Oxfam Canada will review policies, procedures and practices with respect to domestic and overseas programming, volunteer and staff recruitment, administration, physical structures, communications, and all operations and activities to ensure the elimination of systemic barriers and any discriminatory elements.

Oxfam Canada will include a commitment to diversity in the selection process and criteria for all staff and volunteer positions and appointments to Boards, committees and working groups.

Responsibility and Authority

It is the responsibility of all Oxfam members, volunteers, staff and Board to ensure that Oxfam Canada upholds its principles of equity, diversity and inclusiveness in all its practices.

All Oxfam members, volunteers, staff and Board will uphold the principles of equity, diversity and inclusiveness in carrying out their various roles within Oxfam and as Oxfam representatives in public.

The Executive Director will report to the Board once each year on

initiatives taken in order to advance our inclusiveness, and demonstrate our commitment to equity and diversity.

Annex 1: Definitions

Barriers

Attitudes, behaviour, procedures or physical impediments that undermine equity and diversity, inhibit inclusion and can prevent people from maximizing their contribution to an organization.

Discrimination

Any act, behaviour or practice which may be intentional or unintentional, which negatively affects or could negatively affect the environment of a person or group.

Diversity

The visible and invisible differences that exist among people, including but not limited to, gender identity, race, ethnic origin, physical and mental ability, sexual orientation or identity, age, economic class, language, religion, nationality, education, and family/marital status. These visible and non-visible differences among people can also lead to differences in experiences, values, attitudes and ways of thinking, behaving, communicating and working.

Equity

Fairness of treatment for individuals or groups according to their respective needs, which may include equal treatment or treatment that is different but is considered equivalent in terms of rights, benefits, obligations and opportunities.

Inclusiveness

The ability of an organization to attract, retain and accommodate a range of diverse people who will feel valued and confident within the organization.

Systemic discrimination

A form of discrimination that occurs where policies, practices or procedures which appear neutral have a discriminatory effect on a person or class of persons. Systemic discrimination is measured by its impact, not the intent.



ORGANISATIONAL DIVERSITY & INCLUSION POLICY

Introduced : August 2011

Last Revised : August 2011

1. Purpose

- 1.1 This policy provides the framework by which CPA Australia actively manages and encourages diversity and inclusion across the organisation.
- 1.2 CPA Australia believes that diversity and inclusion is a business imperative, in that it provides a foundation to enable us to meet the organisation's objectives and achieve sustainable business results, to enhance CPA Australia's reputation, and to help the organisation's people contribute to CPA Australia's success.
- 1.3 This is an organisational policy only, and does not of itself give rise to any cause of action.

2. CPA Australia's belief in Diversity & Inclusion

Valuing and managing diversity means that CPA Australia will:

- 2.1 promote and encourage a diverse and inclusive workforce, by fostering an environment of mutual learning, respect, dignity, openness to other cultures and an appreciation of difference and other perspectives;
- 2.2 attract and retain a Board of Directors whose composition reflects a diversity of backgrounds, knowledge, experience and abilities;
- 2.3 seek to ensure that the composition of membership committees appointed by either the Board or management will reflect a diversity of backgrounds, knowledge, experience and abilities; and
- 2.4 seek to ensure that its business practices, systems

and processes do not prevent people from diverse backgrounds having equality of opportunity within the organisation.

3. Scope

- 3.1 This policy applies to:
 - 3.1.1 CPA Australia's Board of Directors;
 - 3.1.2 membership committees appointed by either the Board or management; and
 - 3.1.3 all CPA Australia employees, contractors and temporary employees.
- 3.2 This policy does not deal with the specific procedural elements of CPA Australia's employment practices as they are contained within the Staff Policy Manual, Whistleblower Policy and Code of Conduct.

4. Definitions

In this Diversity & Inclusion Policy:

- 4.1 Diversity refers to the visible and invisible differences that exist between people including (but not limited to) gender, culture, race, ethnicity, physical impairment, sexual orientation, age, language, religion, nationality and family/marital status. It also refers to diverse ways of thinking and ways of working.
- 4.2 A reference to employees/members/candidates/people "of a particular diversity dimension" refers to employees/members/candidates/people of a particular gender, age, race, ethnic background or cultural background, religious belief, family/marital status, sexual orientation, or physical ability.
- 4.3 Inclusion refers to ensuring that employees and members have equality of opportunity in the organisation without any barriers or obstacles as a result of their gender, age, race, ethnic background or cultural background, religious belief, family/ marital status, sexual orientation, or physical ability.

5. Workforce Diversity & Inclusion

To achieve a diverse and inclusive workforce, CPA Australia supports the following practices.

5.1 Recruitment, promotion and selection

When hiring and promoting candidates for specific roles, management will consider issues of diversity in relation to expectations of the relevant role, and selection and appointment processes, to ensure there is no intended or unintended discrimination throughout the process.

5.2 Remuneration

Management will endeavour to ensure that there is no intended or unintended discrimination towards or against employees of particular diversity dimensions in relation to the remuneration that they receive for their work.

The Board through the Board Nomination and Remuneration Committee will approve annually the organisation's remuneration ranges. From time to time it will review the entire Remuneration and Incentive Framework to ensure it is consistent with market expectations and contains no systemic bias.

5.3 Performance management

Management will endeavour to ensure that performance review methodologies and processes are consistently applied to relevant groups of individuals in relation to reviews of their performance.

5.4 Flexible work arrangements

CPA Australia recognises the importance of providing flexible work arrangements for employees to enable them to balance personal and work responsibilities and for the continued success of the organisation.

In recognition of flexible work practices and to assist employees to meet their personal responsibilities outside of work, CPA Australia has in place an established framework which enables and encourages

transparent and cooperative discussion on contemplated flexible work arrangements. The framework outlines the process for implementation and ongoing management of those arrangements in accordance with applicable statutory requirements.

6. Board Diversity & Inclusion

- 6.1 CPA Australia is committed to attracting and retaining a Board of Directors whose composition reflects a diversity of backgrounds, knowledge, experience and abilities.
- 6.2 The Board, through the Nomination and Remuneration Committee, will consider issues of diversity in developing its selection criteria, skills mix and process for recommending candidates to the Representative Council for appointment to the Board.
- 6.3 In furtherance of its objective to achieve gender diversity on the Board, it is the current recommendation of the Board that, a minimum of 25% of directors should be female.
- 6.4 The Representative Council will make appointments to the Board based on merit, however it will also consider issues of diversity and the mix of skills required to best achieve CPA Australia's organisational goals.

7. Board & Management Appointed Committees

Diversity & Inclusion

7.1 Nomination processes

The Board and management will endeavour to ensure that there is no intended or unintended discrimination towards or against candidates of particular diversity dimensions when it comes to nominating members for roles on membership committees. In addition they will seek to attract a diverse pool of suitably skilled candidates for available positions through a wide range of promotional activities.

7.2 Appointment processes

The Board and management will make appointments

to membership committees based on merit. However they will also consider issues of diversity when developing the skills mix, processes for appointment and when making appointments to the relevant committee.

8. Reporting and Compliance

8.1 Reporting and measuring diversity and inclusion

Management will regularly report to the Board on the progress towards achieving the CPA Australia's diversity objectives as set out in this policy.

The Board will report annually to members, staff and external stakeholders via CPA Australia's Sustainability Report and Annual Report the organisation's progress towards achieving the objectives set out in this policy, including, the proportion of women employed, the proportion of women in senior management positions, and the proportion of women on the Board.

8.2 Policy Compliance

Management will endeavour to ensure that all employees undertake regular (at least annual) compliance training in relation to legislative and other responsibilities relating to anti-discrimination, workplace harassment and bullying, and equal employment opportunity.

The Internal Auditor will conduct regular reviews of the processes involved in workforce recruitment, remuneration and performance management to assess the implementation of and compliance with this policy.

9. Review of the Organisational Diversity & Inclusion

Policy

9.1 The Nomination and Remuneration Committee, on behalf of the Board, will review and amend this policy from time to time as required.

10. Supporting policies

This policy is supported by the following policies:

- 10.1 Staff Policy Manual Section 3: Recruitment matters including position classifications, job evaluation framework, recruitment processes & procedures and employment contracts
- 10.2 Staff Policy Manual Section 4: Conditions of Employment including policies relating to working hours, leave entitlements & working from home requirements
- 10.3 Staff Policy Manual Section 5: Termination & Counselling including resignation from employment, retirement, redundancy, terminations, formal disciplinary actions & processes, death & references policies
- 10.4 Staff Policy Manual Section 6: Remuneration & Benefits policies including remuneration package & strategy, incentive scheme, rewards and recognition, payroll, superannuation and other employee benefits.
- 10.5 Staff Policy Manual Section 7: Performance Management Development policies including Performance Review & Development (PRD) process, learning & development, staff induction, internal systems training, educational assistance, career development & succession planning
- 10.6 Staff Policy Manual Section 8: EEO including affirmative action, discrimination, harassment & victimisation policies, personal complaint & grievance process
- 10.7 Staff Policy Manual Section 9: Personnel Administration policies including security, personnel records, employee assistance, use of taxis, personal vehicle use, business expenses, business travel, removal assistance, gifts & entertainment, internet use and anti-spam
- 10.8 Whistleblower Policy: CPA Australia policy outlining the approach to reporting inappropriate conduct, as outlined in the Corporations Act
- 10.9 Volunteer Code of Conduct.

DIVERSITY AND INCLUSION POLICY – SUMMARY

The Rio Tinto logo is positioned vertically on the right side of the page, oriented sideways.

Our commitment to diversity and inclusion

We are a global company, and wherever we operate, and across every part of our business, we strive to create an inclusive culture in which difference is recognised and valued. By bringing together men and women from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives, we believe that we are able to deliver the best solutions to challenges and deliver sustainable value for Rio Tinto and its stakeholders.

What diversity and inclusion means for Rio Tinto

- *Embracing workforce diversity* – age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation, physical ability.
- *Valuing diversity of perspective* – leveraging the diverse thinking, skills, experience and working styles of our employees and other stakeholders.
- *Building a flexible organisation* – providing opportunities for work arrangements that accommodate the diverse needs of individuals at different career and life stages.
- *Respecting stakeholder diversity* – developing strong and sustainable relationships with diverse shareholders, communities, employees, governments, customers and suppliers.

Why diversity and inclusion are important

We believe that being a diverse and inclusive organisation improves business outcomes and will help Rio Tinto to achieve its vision to become the sector-leading mining and metals company. Specifically it helps us to:

- Make good decisions about how we organise and optimise resources and work by eliminating structural and cultural barriers to working together effectively;
- Protect and enhance our licence to operate by recognising,

respecting and taking into account in our decisions, the needs and interests of diverse stakeholders;

- Deliver strong performance and growth by being able to attract, engage and retain diverse talent;
- Innovate by drawing on the diverse perspectives, skills and experience of our employees and other stakeholders;
- Adapt and respond effectively to changing societal expectations.

How we support diversity and inclusion at Rio Tinto

Our commitment to diversity and inclusion aligns with our values of accountability, respect, teamwork and integrity and is reflected in our global code of business conduct, The way we work, in Group policies, including the Human rights policy, Employment policy and Communities policy and in our People strategy.

Diversity and inclusion are sponsored at the highest levels in the Group, by the Board and the Executive committee. The board has established this policy and, together with the Executive committee, guides the development of diversity and inclusion strategy and reviews progress against measurable objectives and key programmes of work. The Group's Diversity and Inclusion Council is chaired by a member of the Executive committee and its membership includes senior leaders from across our business. The Council provides direction for diversity and inclusion programmes, promotes an inclusive workplace culture and facilitates sharing of best practice across the Group.

Leaders across Rio Tinto are expected to build diversity into their teams and to demonstrate, through their behaviours and actions, commitment to fostering workplaces where people feel included, valued and able to contribute their best. In accordance with our values, all of our employees are expected to demonstrate respect for their colleagues and teamwork.

We work to educate employees about the benefits that diversity and inclusion bring to our business and we sponsor and participate in research that aims to further understanding of and improve diversity and inclusion in the workplace. We comply with international, national and local regulatory requirements in reporting our performance on diversity and inclusion.

We are an equal opportunity employer. We employ on the basis of role requirements, and in keeping with local laws, we select people to roles based on their qualifications, skills and experience. We do not discriminate unfairly on grounds of age, gender, race, national or ethnic origin, language, religion, political beliefs, sexual orientation or physical ability.

Our recruitment, deployment, reward and development practices, and our approach to working arrangements, are designed to attract and retain diverse talent and to accommodate individual needs at different career and life stages.

Wherever we operate we are committed to developing productive, mutually beneficial and long-term relationships with diverse groups of stakeholders. We work to accommodate the different cultures, lifestyles, heritage and preferences of local communities; we have a broad customer base; and we create opportunities for local suppliers to provide goods and services to our business.

Our measurable objectives for diversity and inclusion

We set measurable objectives for achieving diversity and inclusion for the board and the Group. The board and the Executive committee review the objectives and our performance against them each year. We disclose the objectives and our performance in each annual report. We also include in each annual report the proportion of women on the board, in senior executive positions and in the whole organisation.

Individual Group businesses may also set measurable objectives that are relevant to their particular operating contexts.

An analysis of Quotas & Gender Diversity on Corporate Boards in various countries

<i>Country</i>	<i>Quota</i>	<i>Gender Diversity (Women representation on Corporate Boards)</i>	<i>Initiatives to Improve the Gender Diversity on Corporate Boards</i>
Australia	No Fixed Quota	18.8%	The Corporate Governance Code, known as the "ASX Corporate Governance Council Corporate Governance Principles and Recommendations", was re-issued on 30 June 2010 by the ASX Corporate Governance Council and now contains a number of new recommendations relating to gender diversity.
Canada	No Fixed Quota	18.0% (of TSX 60 directors)	Canadian Board Diversity Council ('the Council') was launched in November 2009 with the goal of improving diversity on boards, including gender diversity. The Council has also received funding from the Canadian Government.
Hong Kong's	No Fixed Quota	9.6%	This Standard Chartered Bank Women on Boards: Hang Seng Index 2013 report looks at the representation of women on the corporate boards of Hong Kong's top listed companies, as included in the Hang Seng Index (HSI). Hong Kong is making little progress in bringing women into the boardroom – female representation on the boards of HSI listed companies shows very little improvement from 9.0% in

			2012 to 9.6% in 2014. Indeed, this slow progress has been evident since 2009 (8.9%) when the study was first carried out.
New Zealand	No Fixed Quota	7.5%	Under the New NZX Rules, Publicly listed companies will now require to declare how many women and minorities they have in senior roles and as directors.
Singapore	No Fixed Quota	7.9%	Board Agender, an outreach arm of the Singapore Council of Women's Organizations (SCWO) aims to provide a forum in Singapore to facilitate the advancement of more women into senior leadership roles and the boardroom.
Malaysia	Fixed Quota	7.8%	On 27 June 2011, Prime Minister of Malaysia announced that the Malaysian Cabinet approved legislation where corporate companies must achieve at least 30 percent representation of women in decision-making positions in the private sector, to promote gender equality. Corporate firms have five years to comply with the new regulation.
United States	No Fixed Quota	16.9%	In December 2009, the SEC approved a rule that would require disclosure of whether a nominating committee considers diversity in identifying nominees for director. The rule requires disclosure of how this policy is implemented and how the nominating committee or the board assesses the effectiveness of its policy.
Germany	No fixed Quota	14.1%	The German Corporate Governance Code, which applies to listed 58 Gender Diversity in Boardrooms companies, was updated in 2010 and now contains

			<p>recommendations aimed at promoting greater female representation on Supervisory and Management Boards.</p> <p>In March 2010, Deutsche Telekom AG became the first DAX 30 company to introduce its own gender quotas, requiring 30 percent of management positions worldwide to be filled by women by the end of 2015.</p>
United Kingdom	No fixed Quota	20.7%	<p>On 11 October 2011, the Financial Reporting (UK) Council published two revisions to the UK Corporate Governance Code to require companies to report annually on their boardroom diversity policy and to include gender diversity in the evaluation of the board effectiveness. These will take effect for periods commencing on or after 1 October 2012 but the FRC strongly encourages early adoption.</p>
Norway	Fixed Quota	40.5%	<p>Norway was the first country to introduce board gender quotas in 2005 when the Norwegian Public Limited Liability Companies Act was amended.</p>
Spain	Fixed Quota	9.5%	<p>The Spanish Parliament passed a "Law of Equality" which encourages large companies to alter the membership of their boards gradually until each sex makes up at least 40 % by 2015.</p> <p>The Spanish Securities and Exchange Commission's (CNMV) Corporate Governance Code recommends that listed company boards include women with appropriate business backgrounds when seeking additional directors. Companies not following this recommendation must provide an explanation.</p>
Belgium	Fixed	9.2%	<p>The Belgian law on gender</p>

	Quota		<p>diversity (minimum 1/3 male directors and 1/3 female directors) has been approved on 28 July 2011, and made effective on 14 September 2011.</p> <p>Other initiatives</p> <p>In May 2009, the Ministry of Equal Chances of the Flemish Region, along with specific Chambers of Commerce and the Belgian Institute of Directors, established a program to promote the representation of women on company boards and in management positions.</p> <p>The program includes coaching initiatives and the establishment of a public database of male and female director candidates.</p>
France	Fixed Quota	18.3%	In January 2011, the French law was modified and quotas were introduced in order to improve the representation of women on boards of both listed and non-listed companies.
Italy	Fixed Quota	8.2%	<p>On 12 August 2011, law 120 "Gender Balance on the Boards of Listed Companies" became effective. This law provides amendments to the text related to financial intermediation.</p> <p>For companies listed on regulated markets and companies to public scrutiny, the law provides the following points:</p> <ul style="list-style-type: none"> • The less represented gender should get at least a fifth for the first term and a third for the others, of the seats on the Boards of Directors and Audit Committees. • The criteria of apportionment will apply for the three consecutive terms after the entrance of the law.

			<ul style="list-style-type: none"> The provisions of the law apply from the first renewal of the board of directors and its committees following 12 August 2011. <p>With the approval of the law, the renewal of the Board of Directors and Audit Committees must be in compliance with the criteria established by the rule.</p> <p>A specific regulation will be adopted by decree of the President of the Republic to oversee compliance of public companies with the law.</p>
Netherlands	Fixed Quota	17.0%	<p>A legislative amendment requiring gender quotas for executive and supervisory board members received government approval in December 2009.</p> <p>W.e.f. 1 January 2012 law requires at least 30 percent of board members to be male and 30 percent must be female by 2016.</p> <p>The appointment of the remaining 40 percent will be at the discretion of the company.</p> <p>The requirement is not mandatory; rather, the "comply or explain" principle holds. The requirement will apply to listed companies and non-listed companies that meet certain financial and employee number criteria.</p> <p>Other initiatives</p> <p>The Dutch Corporate Governance Code requires the Supervisory Board of listed companies to prepare a profile of its size and composition, taking into account, among other things, the expertise and background of board members. The code further</p>

			<p>requires that the profile specify the specific objectives pursued by the board in relation to diversity. Companies must make the profile publicly available.</p> <p>While compliance with the recommendations is not mandatory, reasons for noncompliance must be disclosed by the company each year in its annual report.</p>
India	No Fixed Quota	4.7%	The section 149 of Companies Act, 2013 provides that such class or classes of companies as may be prescribed by the Central Government, shall have at least one woman director.

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