

#### The Value of Increased Women on Boards

September 19, 2019



## **Global Gender Gap Rankings**



	GLOBAL INDEX		
Country	Rank	Score (0-1)	
Iceland	1	0.858	
Norway	2	0.835	
Sweden	3	0.822	
Finland	4	0.821	
Nicaragua	5	0.809	
Rwanda	6	0.804	
New Zealand	7	0.801	
Philippines	8	0.799	
Ireland	9	0.796	
Namibia	10	0.789	
Slovenia	11	0.784	
France	12	0.779	
Denmark	13	0.778	
Germany	14	0.776	
United Kingdom	15	0.774	
Canada	16	0.771	
Latvia	17	0.758	
Bulgaria	18	0.756	
South Africa	19	0.755	
Switzerland	20	0.755	
Barbados	21	0.753	
Costa Rica	22	0.749	
Cuba	23	0.749	
Lithuania	24	0.749	
Bolivia	25	0.748	



#### **Moving Backwards**

United States		score score 0.720			
	AVG (CA				
	distribution of countries by score				1 00
SCORE AT GLANCE	KEY INDICATORS				
	KEY INDICATORS GOP (USS billions)			B	9,390.60
CORE AT GLANCE	Contraction of the second s			8	9,390.60 54,225
AN OWNERS IN A PARTICULAR OF A	(GOP (US\$ billions)				
	GDP (US\$ billions) GDP per capite (constant 111, int. \$, PPP)				51,225
	(2019 (USS billions) GDP per capita (constant 111, int. \$, HHP) Total population (1,000=)				51,225 2,179,61
	(20P (US\$ billions) GDP per cepite (constant '11, int. \$, PPP) Totel population (1,000s) Population growth rate (%)				54,225 2,179,61 0,71
	(30P 8.05% billions) (30P per cepite (constant 111, int. 5, PPP) Totel population (1.000s) Population growth rate (%) Population sex ratio (temale/mela)		2006		54,225 2,179,61 0.71 1.02
AN MEAN ANE DURING	(30P 8.05% billions) (30P per cepite (constant 111, int. 5, PPP) Totel population (1.000s) Population growth rate (%) Population sex ratio (temale/mela)	tank	2006		54,225 2,179,61 0,71 1,02 74,84
AN OWNERS IN A THE TOWNED A	(30P 8.05% billions) (30P per cepite (constant 111, int. 5, PPP) Totel population (1.000s) Population growth rate (%) Population sex ratio (temale/mela)	tank 23		32	54,225 2,179,61 0,71 1,02 74,84 2918
Education	(30P (USS billions) GDP per capita (constant '11, int. \$, PPP) Total population (1,000s) Population growth rate (%) Population sex ratio (ternals/male) Human Capital Index score Human Capital Index score Economic perticipation and opportunity	<b>23</b> 3	0.704	32 600% 51 19	54,225 2,179,61 0,71 1,02 74,84 2018 8,000 0,782
Economy Economy Health	(3DP (USS billions) (3DP per capita (constant '11, int. \$, PPP) Total population (1,000s) Population growth rate (%) Population sex ratio (female/mela) Human Capital Index score) Clobal Gender Gap score Economic perticipation and opportunity Educational attainment	23 3 66	0.704 0.759 0.962	32 51 19 46	54,225 2,179,61 0,71 1,02 74,84 2018 8,000 0,782 0,782 0,998
Economy	(30P (USS billions) GDP per capita (constant '11, int. \$, PPP) Total population (1,000s) Population growth rate (%) Population sex ratio (ternals/male) Human Capital Index score Human Capital Index score Economic perticipation and opportunity	<b>23</b> 3	0.704	32 600% 51 19	54,225 2,179,61 0,71 1,02 74,84 2018 8,000 0,782 0,782



#### Women in the Workplace 2018

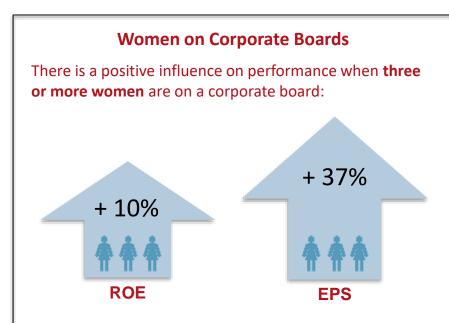
#### REPRESENTATION IN THE CORPORATE PIPELINE BY GENDER AND RACE

% OF EMPLOYEES BY LEVEL IN 20182





#### **Women Deliver Results**



MSCI looked at 532 U.S. companies for the five year period from 2011-2016. Those that began the period with at least three women on the board experienced median gains in Return on Equity (ROE) of 10% and Earnings Per Share (EPS) of 37%, while those that started the period with no female directors experienced changes of -1% in ROE and -8% in EPS over the period. A robust body of research<sup>1</sup> indicates that companies with more women in leadership have:





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<sup>1</sup>Sources: Morgan Stanley, Putting Gender Diversity to Work: Better Fundamentals, Less Volatility, May 2016. Marcus Noland, Tyler Moran and Barbara Kotschwar, Peterson Institute, Is Gender Diversity Profitable? Evidence from a Global Survey, February 2016. RobecoSAM, Does corporate gender equality lead to outperformance?, September 2015. Credit Suisse, The CS Gender 3000: Women in Senior Management, 2014. Credit Suisse Research, Gender Diversity and Corporate Performance, 2012. Meggin Thwing Eastman and Panos Seretis, "Women on Boards and the Human Capital Connection," MSCI, 2018.

#### "Money and Power: Women Need More of Both"





#### **UN Sustainable Investment Goals**





## **Environmental, Social and Governance (ESG) Factors**

Environmental	Social	Governance
Climate change and carbon emissions	Gender and diversity policies	Board composition
Air and water pollution	Human rights	Executive compensation
Energy efficiency	Labor standards	Audit committee structure
Waste management	Employee engagement	Bribery and corruption policies
Water scarcity	Customer satisfaction	Lobbying activities
Biodiversity and deforestation	Community relations	Political contributions



#### **Investors As Part of the Solution**



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Top three areas where investors want boards to focus in 2019 Board diversity – investors push for diverse directors as focus on board composition continues



Top three areas where investors want boards to focus in 2019 Company-relevant environmental and social issues, particularly climate risk



Top three areas where investors want boards to focus in 2019 Human capital management – investors seek to understand how boards are governing talent and culture



#### **Resources For Increasing Corporate Board Knowledge**

**Candidate Snapshot** 

- National Association for Corporate Directors (NACD)
- EY Center for Board Matters
- Women Corporate Directors (WCD)

#### FUNCTIONAL EXPERIENCE INDUSTRY EXPERIENCE IT & TELECOM C00/CA0 HEALTH CARE Chief HR Officer PROFESSIONAL SERVICES CANDIDATES BY GENDER RACE Of candidates reporting race, 16% belong to racial or ethnic minorities FINANCIAL SERVICES and represent African American. Women Asian, Hispanic, Native American, 27% CONSUMER and other groups. **COMPANY SIZE** Men MANUFACTURING 73% 52% of candidates have board or executive experience at companies **ENERGY & UTILITIES** with revenues in excess of \$1 billion. **BOARD ROLES GLOBAL EXPERIENCE** Middle East & North Africa Eastern Europe Chair 27% 6% 7% 24% United Audit Committee Chair 25% Kingdom & Western East Asia - 12% Europe Nominating/Governance Chair 20% 18% Africa **Compensation Committee Chair** 19% Central & Lead Director 9% South & South America **Central Asia**



## **Organizations Advancing Women on Corporate Boards**





Planning for Board Service? Know the Current Trends presented by the Club's Corporate Board Committee and generously hosted by Ernst & Young LLP

#### How to Become a Board Member

A Step By Step Guide for Women on Joining Nonprofit and Corporate Boards





Women's Director Development Program

The Journey to the Boardroom

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