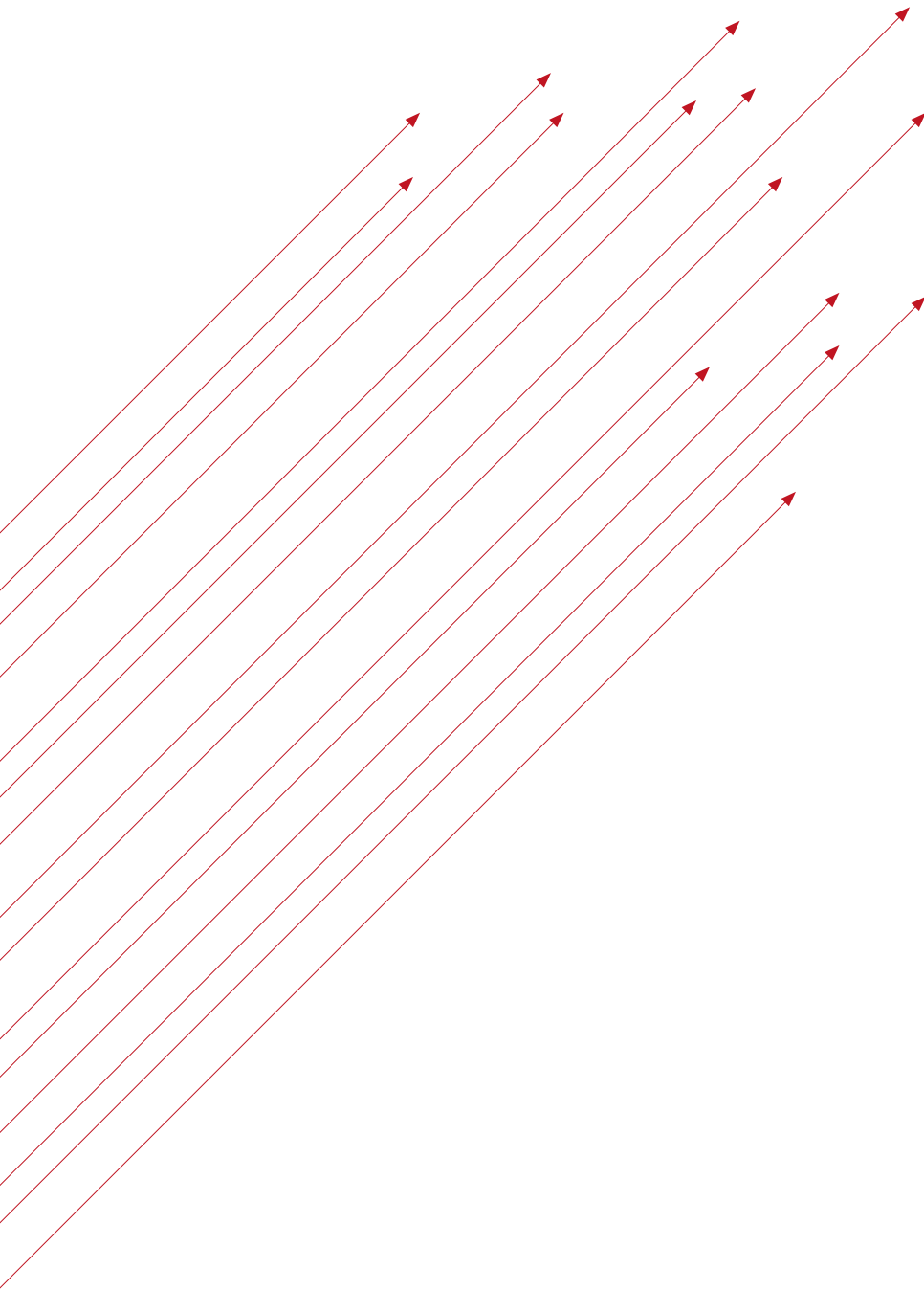




2020 WOMEN ON BOARDS GENDER DIVERSITY INDEX

2011–2016 Progress of Women Corporate Directors by Company Size, State and Sector



20% GOAL IN SIGHT: VERY CLOSE BUT NOT YET A WINNER

WHAT IS THE GENDER DIVERSITY INDEX?

- W** WINNING 20%+ Women
- V** VERY CLOSE 11–19% Women
- T** TOKEN 1 Woman
- Z** ZERO 0 Women

Every year, our team of researchers measures the gender makeup of the active companies on the 2010 *Fortune 1000* list. We report our findings in the 2020 Gender Diversity Index (GDI) and compare progress on this same group of companies from one year to the next looking at company size, state and sector.

We group companies into one of four categories: **W**, **V**, **T**, or **Z**. All of the current GDI companies and many more are included in the 2020 Gender Diversity Directory at www.2020WOB.com.

i Please note that we track active companies. Companies become inactive when they no longer have an operational, independent governing board of directors due to a sale, merger, bankruptcy or other reason. See Methodology for more information.

We are pleased to present the 2016 Gender Diversity Index (GDI) report: our annual analysis of America's largest companies. In this year's report, we analyze how the GDI has changed over time and compare this baseline group with companies on the 2015 and 2016 *Fortune 1000* lists.

In the final years of the campaign, we will continue to inform, educate and advocate for board diversity. We'll hold companies accountable until all have met or surpassed the 20% goal. Looking ahead, we will concentrate our efforts on new and smaller companies, encouraging them to join the global movement in advancing women to corporate boards.

Our success starts and ends with you. Register your support for the campaign on our website. Call on the Zero **Z** Companies to add women to their boards through our monthly 2020 Challenge email blasts. Attend the annual National Conversation on Board Diversity in a city near you on the Thursday before Thanksgiving.

Together we *will* make it happen!

Malli Gero
Co-founder and President

Stephanie Sonnabend
Co-founder and Chair

2016 KEY FINDINGS

THE GENDER DIVERSITY INDEX

More Women on Boards

In the 810 active GDI companies, women hold 19.7% of board seats, an increase from 18.8% in 2015, and from 14.6% in 2011.

Women Gain 74 Board Seats

While the total number of men and women on boards fluctuated in 2016, women experienced a net gain of 74 board seats, and men experienced a net loss of 71 seats.

Companies Add Board Seats to Achieve Diversity

One hundred twenty GDI companies added women to their boards in 2016. Of these, 70 (58%) did so by increasing the total number of board seats to accommodate new women appointees, without replacing men. This challenges the popular argument that boards need to wait for men to step down in order to add women.

- W** WINNING
20%+ Women
- V** VERY CLOSE
11–19% Women
- T** TOKEN
1 Woman
- Z** ZERO
0 Women

Half of GDI Companies are **W**s

About half of all GDI companies have 20% or more women on their boards. The number of **Z** companies continues to decline, now down to 8%, from 9% last year.

Percentage of Women on Boards Increases in Major Sectors

Companies in 6 sectors now have over 20% women board members, compared with 5 sectors last year: Consumer Cyclical, Consumer Defensive, Financial Services, Healthcare, Real Estate and Utilities.

2016 FORTUNE 1000 COMPANIES

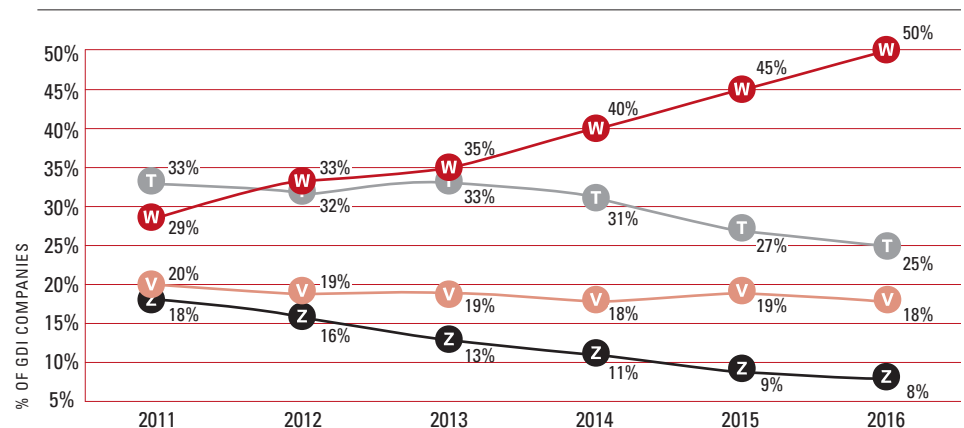
More Women on Boards

Women hold 18.8% of the board seats of companies in the 2016 *F1000* list—the largest U.S. companies ranked by total revenue. The current year’s list contains 967 active companies. In 2015, women held 17.9% of the board seats of 960 active *F1000* companies.

Smaller/New Companies Are Less Diverse

Smaller companies and newer companies are less diverse than larger, more seasoned companies. There are 233 new companies on the 2016 *F000* but not on this year’s GDI. In this new group of companies, women hold just 14.8% of the board seats, further evidence that newer companies and smaller companies are less diverse.

2011–2016 TRENDS GENDER DIVERSITY INDEX



Since 2011, women have made steady progress across the **W**, **V**, **T**, and **Z** categories. In 2016, half of the GDI companies are **W** companies and **Z** companies have fallen to an all-time low of 8%.

2016 ANALYSIS

LARGER COMPANIES, MORE WOMEN

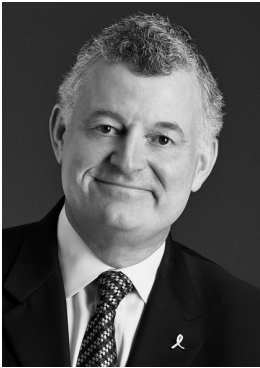
Larger companies score better on boardroom diversity than smaller companies. In GDI *F100* companies, 273 women now hold 24% of the board seats, an average of 2.9 women directors per board, up from 2.7 women last year. In GDI *F500* companies, 1020 women hold 21% of the board seats, an average of 2.3 directors per board, up from 2.2 directors last year. In smaller GDI *F501-1000* companies, 659 women hold 17.9% of board seats, an average of just 1.8 women directors per board, up from 1.7 last year.

What's more, 17% of GDI companies have 30% or more women on their boards; 4% have 40% or more, and 1% have reached parity.

BREAKDOWN OF *F1000* SHOWING *F100*, *F500* AND *F501-1000*

	2016 CURRENT <i>F1000</i>	2015 CURRENT <i>F1000</i>	2016 GDI	2015 GDI	2014 GDI	2013 GDI	2012 GDI	2011 GDI
FORTUNE 1000								
% WOMEN ON BOARDS	18.8%	17.9%	19.7%	18.8%	17.7%	16.6%	15.6%	14.6%
TOTAL # WOMEN	1869	1771	1679	1660	1585	1526	1493	1440
TOTAL # DIRECTORS	9947	9875	8537	8845	8973	9207	9593	9846
# ACTIVE COMPANIES	967	960	810	842	867	893	928	951
FORTUNE 100								
% WOMEN ON BOARDS	23.5%	22.3%	24.0%	22.9%	22.2%	20.6%	19.9%	19.6%
TOTAL # WOMEN	284	260	273	260	250	238	233	233
TOTAL # DIRECTORS	1210	1166	1139	1134	1124	1153	1168	1188
# ACTIVE COMPANIES	100	98	95	95	97	98	99	100
FORTUNE 500								
% WOMEN ON BOARDS	20.6%	19.7%	21.0%	20.1%	19.0%	18.0%	17.1%	16.4%
TOTAL # WOMEN	1097	1056	1020	1012	965	928	909	888
TOTAL # DIRECTORS	5316	5368	4856	5041	5074	5163	5313	5407
# ACTIVE COMPANIES	484	484	436	450	462	471	479	489
FORTUNE 501-1000								
% WOMEN ON BOARDS	16.7%	15.9%	17.9%	17.0%	15.9%	14.8%	13.6%	12.5%
TOTAL # WOMEN	772	715	659	648	620	598	584	554
TOTAL # DIRECTORS	4631	4507	3681	3804	3899	4044	4280	4436
# ACTIVE COMPANIES	483	476	374	392	405	422	449	462

2016 ANALYSIS



“A company that seeks out the best people, wherever they come from or wherever they may be, and empowers them to succeed will be more competitive. For us, diversity drives creativity and fuels innovation, helps us to be more locally relevant, and provides a stronger connection to our consumers.”

WILLIAM P. LAUDER
Executive Chairman, The Estée Lauder Companies Inc.

BOARD TURNOVER

Between 2015 and 2016, over half of the GDI companies changed the composition of their boards. One hundred and twenty companies added women, accounting for 133 board seats. Over the same time period, 170 companies added men, accounting for 229 board seats. Men, however, lost more board seats than women; 300 seats in 216 companies (men) compared with 59 seats in 52 companies (women). The net result is that women had a net gain of 74 board seats, while men had a net loss of 71 seats. These findings do not account for companies that replaced men with men or women with women, which would indicate an even greater rate of board turnover.

Of the 120 companies that added women to their boards, 70 did so by increasing the size of their boards. These findings suggest that many companies are increasing the size of their boards to accommodate women directors rather than waiting for men to vacate their seats. Furthermore, of

the 279 companies that changed board size without changing the number of women, more than half lost one or more men. We are hopeful that these companies are now searching for more diverse candidates to fill those vacated board seats.

In the 5 years of reviewing the gender diversity of boards, we have seen that 383 companies have added women onto their boards, which accounts for 518 women board seats. When we account for board seats lost by women, this nets out to 409 board seats gained by women since 2011. As in recent years, nearly half of those companies that added women did so by adding board seats rather than directly replacing men. Only 102 companies have not changed their board size or gender since 2011, although many of these likely replaced men with men or women with women. Of the 61 companies, however, who currently do not have any women on their boards, 41 of them have never had a woman on their board in the past 5 years.

BOARD TURNOVER

	2015-2016 CHANGE IN BOARD SEATS		2011-2016 CHANGE IN BOARD SEATS	
	# COMPANIES	# BOARD SEATS	# COMPANIES	# BOARD SEATS
Added Women	120	133	383	518
<i>Added Women by Increasing Board Size</i>	70	78	193	246
Lost Women	52	59	94	109
Net Change Women		74		409
	# COMPANIES	# BOARD SEATS	# COMPANIES	# BOARD SEATS
No Change in Gender or Board Size	358		102	
	# COMPANIES	# BOARD SEATS	# COMPANIES	# BOARD SEATS
Added Men	170	229	208	354
Lost Men	216	300	407	739
Net Change Men		-71		-385

2016 ANALYSIS



“All aspects of diversity—including diversity of thought and perspective—contribute to more effective decision-making. Ideally, the composition of any board should reflect the diversity of a company’s customers and workforce. At Sempra Energy, the contributions of women and people of color on our board and at every level of our company have been critical to our success.”

DEBRA L. REED
Chairman and CEO, Sempra Energy

SECTOR ANALYSISⁱⁱ

In 2016 GDI companies, 6 sectors are now at 20% or more women, compared with only 5 last year. Three sectors in this year’s GDI have been over 20% for 3 consecutive years: Consumer Defensive, Real Estate, and Utilities.

In the 2016 *F1000*, 5 sectors have more than 20% women on their boards, an increase of 2 from last year. Women gained board seats in every sector, with Healthcare leading the way with an increase of almost 4%.

ⁱⁱ The 2020 Women on Boards Gender Diversity Index and Directory utilize the Morningstar sector classification system: “Morningstar Sectors are our unique classifications that mimic the way economies evolve from dependence on producing physical products to delivering services. Unlike other classification systems, we offer Super Sectors to identify companies based on their broad economic spheres—Consumer Defensive and Cyclical. These reveal the degree to which macroeconomic cycles affect sector groups. We also classify Real Estate and Financial Services as separate sectors to reflect their distinct qualities.”

SECTOR ANALYSIS

SECTOR	2016 FORTUNE 1000		2016 GDI		2015 GDI	
	#COMPANIES	% WOMEN ON BOARDS	#COMPANIES	% WOMEN ON BOARDS	#COMPANIES	% WOMEN ON BOARDS
Basic Materials	69	15.5%	60	17.2%	60	16.7%
Communications	13	21.7%	17	18.8%	17	17.0%
Consumer Cyclical	197	19.1%	161	20.2%	161	19.1%
Consumer Defense	82	22.1%	69	22.3%	69	21.7%
Energy	67	12.4%	50	14.0%	50	13.4%
Financial Services	120	21.5%	115	21.3%	114	20.7%
Healthcare	77	19.7%	67	21.3%	67	20.6%
Industrials	183	16.6%	137	17.7%	137	17.1%
Real Estate	17	21.7%	12	24.0%	12	20.7%
Technology	97	18.4%	75	18.0%	75	16.7%
Utilities	45	22.1%	47	22.5%	47	21.7%

2016 ANALYSIS



“We are making progress and we should applaud the leaders in this effort. But, it is too little and too slow. We need to add even more passion to our determination and perseverance. We all win when this campaign succeeds!”

G. TRUETT TATE
Chief Executive Officer,
North America, ANZ

ANALYSIS OF F1000 BOARD COMPOSITION BY STATE

In this year’s report we look at 25 states that are home to at least 10 companies on the 2016 F1000. Of those, 8 states have exceeded the 20% women on boards threshold, compared with 12 states on the GDI. Maryland, Massachusetts, Michigan, New Jersey and Washington exceeded 20% for the third year in a row. A majority of states made notable improvements between 2015 and 2016, with the exception of Maryland, New York, Virginia, Washington, and Wisconsin, which all experienced slight decreases in the number of women on boards.

In the states where legislatures have passed Women on Boards resolutionsⁱⁱⁱ, the number of women holding board seats has increased between 2015 and 2016 (California 18.2%/19.5%; Illinois 18.0%/18.6%; and Massachusetts 20.2%/23.5%), indicating that companies are paying attention to legislative action on the issue.

ⁱⁱⁱ Women on Boards resolutions are becoming an increasingly popular way for states to support gender diversity on public boards. These non-binding bills usually define board diversity as a minimum of three women on boards of nine or more and encourage companies to publically report their board composition.

TOP STATES % WOMEN ON BOARDS

STATE	2016 FORTUNE 1000		2016 GDI		2015 GDI	
	# OF COMPANIES	2016 % WOMEN	# OF COMPANIES	2016 % WOMEN	# OF COMPANIES	2015 % WOMEN
Arizona	18	16.6%	12	17.2%	12	15.6%
California	104	19.5%	72	20.7%	72	19.5%
Colorado	21	14.2%	12	16.3%	12	14.8%
Connecticut	29	18.9%	25	19.5%	25	19.4%
Florida	32	20.4%	27	20.3%	27	18.7%
Georgia	28	17.5%	27	16.9%	27	15.4%
Illinois	63	18.6%	44	18.9%	44	18.3%
Indiana	17	16.0%	13	17.2%	13	16.5%
Maryland	12	21.7%	9	23.2%	9	23.5%
Massachusetts	29	23.5%	21	25.5%	21	22.3%
Michigan	27	21.9%	20	24.0%	20	22.9%
Minnesota	24	21.0%	26	20.9%	26	19.3%
Missouri	24	16.8%	18	20.1%	18	18.1%
Nebraska	10	17.1%	9	18.9%	9	15.2%
New Jersey	29	21.3%	33	21.6%	33	21.5%
New York	92	19.5%	83	20.4%	82	20.5%
North Carolina	21	17.3%	19	18.8%	19	16.6%
Ohio	53	20.5%	49	20.8%	49	20.1%
Oklahoma	12	13.6%	6	20.0%	6	19.4%
Pennsylvania	44	17.2%	42	17.0%	42	14.9%
Tennessee	22	17.6%	21	19.1%	21	18.3%
Texas	98	15.7%	81	17.2%	81	16.7%
Virginia	36	16.0%	28	14.6%	28	15.5%
Washington	14	23.6%	12	23.6%	12	24.4%
Wisconsin	25	19.2%	25	19.3%	25	19.9%
# States 20%+	8		12		7	

THERE IS STILL MUCH **W**ORK TO DO

CONCLUSION

The 2016 Gender Diversity Index has shown consistent, steady growth since the first year of reporting in 2011. Companies of all sizes, in all sectors and all geographic locations are adding women to their boards, and we are within a hair's breadth of our 20% goal.

Even though we will likely reach our goal in the Index next year, there is still much work to do. Sixty-one GDI companies currently have no women on their boards; in this same cohort, 41 companies have had no women directors over the 5 years of research. Many of these companies have actually ignored shareholder proposals to adopt a formal diversity and inclusion policy. It will take innovative thinking, passionate supporters and social media momentum to reach these stubborn **Z** companies.

Twenty-five percent of GDI companies have only one woman on their boards, and this number increases to 29% on the 2016 *F1000*. There are still companies, especially the smaller and newer ones, that have not embraced the idea that boardroom diversity is good for business.

Thanks to the hard work of our supporters and affiliates, the national call for boardroom diversity has become more determined. Companies that don't comply will have to answer to their stakeholders. We continue to strive for a tipping point of change where companies can't imagine having an all-male board. Thank you for your continued support as we come close to achieving our goal.

Methodology

The 2020 Women on Boards Gender Diversity Index (GDI) took the 2010 *F1000* companies as the baseline list. Researchers verified the number of women and total board members for these companies in 2011, 2012, 2013, 2014, 2015 and 2016, utilizing October 1 as the cutoff date. If companies no longer had an active board of directors due to a sale, merger, bankruptcy or other reason, they were removed from the list. In addition, certain private companies were excluded if they did not identify the make-up of their boards or if their boards had mainly insiders (as defined by the SEC). In very few instances, companies went off the list in one year and returned to the list in a future year. The number of active companies in the Index each year is as follows: 2011 (951); 2012 (928); 2013 (893); 2014 (867); 2015 (842); 2016 (810).

The numbers of board seats that we report are net increases or decreases. If two women are added to one company and one woman leaves a different company, that would be reported as an increase of one woman board seat. The board turnover data compares 809 companies between 2015 and 2016 and 804 companies between 2011 and 2016. This is due to some current GDI companies that were inactive in the comparative years.

For the overall percentages of women on boards, we used all of the active companies on the Index at that time. When comparing state and sector data for the GDI, only the 810 active companies in 2016 were analyzed. While we analyzed all states, we only report on the top 25 states that have 10 or more *F1000* companies on the 2016 *F1000* list. This represents 91% of the companies.

All data was verified by a team of researchers and sent to the companies to confirm accuracy. We heard back from many companies, but not all. While we believe the data to be accurate and the trends clearly identified, human error, both on the part of the research team or the companies' website, could create some inaccuracies. All reasonable steps were taken to ensure accuracy of the data.

The gender diversity of these and other companies may be viewed on our website at 2020wob.com/companies. The 2020 Gender Diversity Directory may be searched by company name, city, state, sector, number of women, or 2020 rating.

Thank You to Our Team

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