



2020 WOMEN ON BOARDS

GENDER DIVERSITY INDEX

2011–2013 Progress of Women Corporate Directors by State, Sector and Size of Company

WE HAVE GOOD NEWS

We are delighted to present the third annual 2020 Women on Boards Gender Diversity Index of *Fortune 1000 Companies*.

We have good news to report. There are more women in the boardroom. In fact, the percentage of women in the boardroom of the *Fortune 1000* gained another percentage point for the second year in a row and is now at 16.6%. The percentage of board seats held by women in the *Fortune 100* is now over 20%; *Fortune 500* companies have made progress, and we see momentum in the *Fortune 501 - 1000* companies. We've seen an increase in the number of **W** Companies on the list (our metric for companies where women hold 20% or more board seats). Similarly, the number of **Z** Companies (no women on the board) has declined. We are on track to reach—and expect to exceed—our goal of 20% or more company board seats held by women in the *Fortune 1000* by 2020.

HOW WE CATEGORIZE COMPANIES

The cornerstone of the 2020 Women on Boards campaign is the 2020 Gender Diversity Directory, a database of public and private companies that we categorize based on the gender composition of their boards.

A subset of the 2020 Directory is the 2020 Gender Diversity Index (GDI), which is based on the 2010 *Fortune 1000* list of companies. We track this group of companies from year to year, measuring the percentage of board seats held by women. Utilizing the same list from year to year allows us to more accurately measure progress.

W WINNING
20%+ Women

V VERY CLOSE
11–19% Women

T TOKEN
1 Woman

Z ZERO
0 Women

We started the 2020 Women on Boards campaign in December 2010 as a grass roots initiative to engage corporate stakeholders to hold companies accountable for the lack of progress in diversifying their boards of directors. We educate people about what boards do and why diversified boards are so important. We encourage dialogue on the topic. And we measure and report on the progress being made.

We are exhilarated by the endorsement of thousands of supporters in cities across the US and around the world. Check the 2020 Women on Boards website for 2020 initiatives where you live and work. We hope you'll take the monthly *2020 Challenge* and add your voice to the thousands who regularly congratulate the **W** Companies and encourage the **Z** Companies. To participate, register your support for the campaign at www.2020wob.com.

Together, we can make it happen!

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“The release of the 3rd annual Gender Diversity Index signals important, but wholly insufficient, progress on the board diversity front. **We can and must do better.** It is time to pick up the pace of change.”

DOUGLAS R. CONANT Founder and CEO, Conant Leadership; Chairman, Avon Products, The Company For Women; Former President and CEO, Campbell Soup Company

KEY FINDINGS

WHY DO WE STUDY THE FORTUNE 1000?

It's important to include companies from a broad geographic area so our volunteer chapters have information on companies in their regions. The *Fortune 1000* provides the necessary geographic depth, and research on this group of companies supports regional studies that show that smaller companies lag behind larger companies in the gender composition of their boards.ⁱ

i. *Follow The Leaders: It Can Happen Here*, The Ninth Annual Status Report of Women Directors and Executive Officers of Public Companies in 16 Regions of the United States, Inter Organization Network (ION) 2012

STEADY INCREASE IN THE NUMBER OF WOMEN ON BOARDS

The percent of board seats held by women in the 2020 Index companies increased to 16.6% in 2013 from 15.6% in 2012. The percentage of board seats held by women in 2011, the first year of reporting, was 14.6%.

IN FORTUNE 1000 COMPANIES THERE ARE MORE **W** & **V** COMPANIES THAN **T** AND **Z** COMPANIES

The number of **W** Companies increased to 316 in 2013, up from 308 in 2012 and 273 in 2011. The number of **V** Companies dropped to 167 in 2013, from 177 in 2012 and 187 in 2011. There was little change in the number of **T** companies: 292 in 2013 and 291 in 2012, but down from 314 in 2011. The biggest change was in the **Z** company category, with drops in three consecutive years: 118 in 2013, 152 in 2012 and 177 in 2011.

SIXTY-FIVE PERCENT OF COMPANIES THAT DROPPED OFF THE FORTUNE 1000 ARE IN THE **T** OR **Z** CATEGORIES

Between 2012 and 2013, 37 companies dropped off the *Fortune 1000* list because they went private, were acquired, or went out of business. Of the 37 inactive companies, 13 are **Z** companies and 11 are **T** companies. We think this is significant. Research has demonstrated that companies with women on boards are more profitable. It appears they are also more sustainable.

MALE-DOMINATED SECTORSⁱⁱ SHOW GAINS

Companies in male-dominated sectors traditionally have fewer women directors than more neutral or women-friendly sectors; however, in 2013 progress has been made in all sectors, especially Real Estate, Energy and Industrials.

ii. The 2020 Women on Boards GDI utilizes 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, Cyclical, and Sensitive. 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.*

BREAKDOWN OF F1000 SHOWING F100, F500 AND F501-1000 2011-2013

	% WOMEN ON BOARDS	AVERAGE # WOMEN ON BOARDS	AVERAGE # TOTAL DIRECTORS	TOTAL # WOMEN	TOTAL # DIRECTORS	NUMBER ACTIVE COS
FORTUNE 1000						
2013	16.6%	1.7	10	1526	9207	893
2012	15.6%	1.6	10	1493	9593	928
2011	14.6%	1.5	10	1440	9846	951
FORTUNE 100						
2013	20.6%	2.4	11	238	1153	98
2012	19.9%	2.4	11	233	1168	99
2011	19.6%	2.3	11	233	1188	100
FORTUNE 500						
2013	18.0%	2.0	12	928	5163	471
2012	17.1%	1.9	12	909	5313	479
2011	16.4%	1.8	12	888	5407	489
FORTUNE 501-1000						
2013	14.8%	1.4	10	598	4044	422
2012	13.6%	1.3	10	584	4280	449
2011	12.5%	1.2	10	554	4436	462

GDI ANALYSIS

SIZE MATTERS

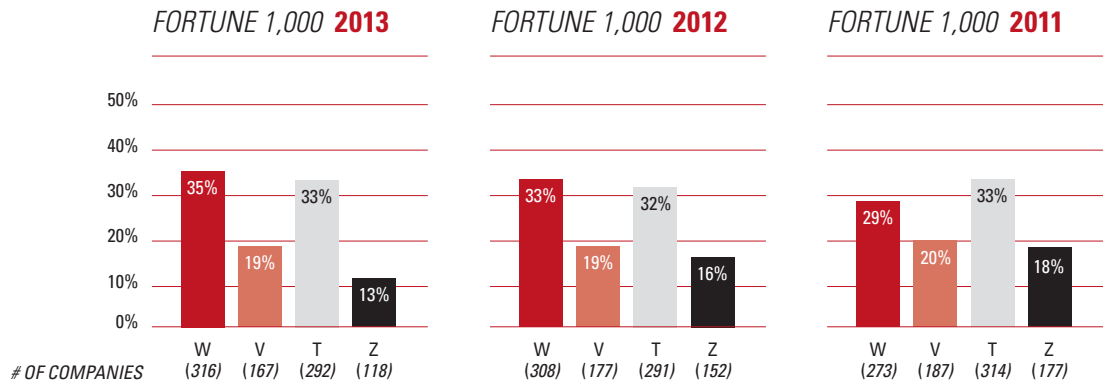
Since 2011, when we first started tracking the GDI, the nation's largest companies have added women to their boards. Women now hold 16.6% of board seats, as opposed to 14.6% in 2011. When it comes to gender diversity in the boardroom, size of company matters: larger companies have more women directors, smaller companies have fewer.

In *Fortune 100* companies this year (98 active companies), 20.6% of board seats are held by 238 women, for an average of 2.4 women directors per board. These largest companies have achieved the 20% threshold, up from 19.9% (233 women) in 2012 and 19.6% (233 women) in 2011.

In *Fortune 500* companies this year (471 active companies), 18% of board seats are held by 928 women, for an average of 2.0 women directors per board. This group of companies has shown consistent gains since 2011: 17.1% of board seats were held by 909 women in 2012, with 1.9 women directors per board and 16.4% of board seats were held by 888 women in 2011, with 1.8 women directors per board.

Smaller companies in the *Fortune 501-1000* (422 active companies) have added women directors, but the percentage of board seats held by women is lower than that held in larger companies. In 2013, in this group of companies, 598 women hold 14.8% of board seats, with 1.4 women directors per board. In 2012, 584 women held 13.6% of board seats, with 1.3 women directors per board; in 2011, 554 women held 12.5% of board seats, with 1.2 women directors per board.

We advocate for a minimum of two women on small boards and at least three or four women on larger boards.



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20%+ Women
- V VERY CLOSE**
11–19% Women
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1 Woman
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0 Women

MORE **W** COMPANIES; FEWER **Z** COMPANIES

Since 2011, there has been steady progress across the categories. In 2013, over half (54%) of the Index companies are in the **W** or **V** categories. The number of **T** companies stayed about the same, but since 2011, there has been a five percentage point drop in the number of **Z** companies: from 18% in 2011 to 16% in 2012, to 13% in 2013.

The following companies added two or more women to their boards:

TWO COMPANIES WENT FROM **Z** TO **W**

- DOLLAR GENERAL CORPORATION
2 women/9 directors
- TEAM HEALTH HOLDINGS, INC.
2 women/7 directors

SIX COMPANIES WENT FROM **T** TO **W**

- C.H. ROBINSON WORLDWIDE, INC.
3 women/10 directors
- HEALTHSOUTH CORPORATION
3 women/11 directors
- HERTZ GLOBAL HOLDINGS, INC.
3 women/12 directors
- HONEYWELL INTERNATIONAL, INC.
3 women/12 directors
- HOST HOTELS & RESORTS, INC.
3 women/10 directors
- NEWS CORPORATION
3 women/12 directors

THREE COMPANIES WENT FROM **V** TO **W**

- COCA-COLA COMPANY
4 women/17 directors
- KELLOGG COMPANY
4 women/13 directors
- VIACOM, INC.
4 women/13 directors

THREE **W** COMPANIES ADDED 2 WOMEN

- DUN & BRADSTREET CORPORATION
4 women/10 directors
- HSN, INC.
4 women/9 directors
- REALOGY HOLDINGS CORPORATION
3 women/7 directors

“The DSW board of directors has seven independent directors, of which four are men and three are women. **This gender diversity facilitates deeper and broader discussions of issues affecting our customers, our associates and our shareholders.** It gives us insights that we would not otherwise uncover and results in better decision-making for all of our constituencies.” **MICHAEL MACDONALD** CEO, DSW

“The Financial, Utilities and Real Estate sectors now look more comparable to the more gender-equal and women-dominated sectors in the percent of women on boards, a hopeful sign that even in male-dominated sectors, things are beginning to change.”

SUSAN ADAMS Professor of Management and Senior Director, Center for Women & Business, Bentley University

SECTOR (# of Active Companies)	2013 % WOMEN ON BOARDS	2012 % WOMEN ON BOARDS	2011 % WOMEN ON BOARDS
Basic Materials (63)	15.2%	14.8%	13.6%
Communication Services (19)	15.0%	14.1%	13.7%
Consumer Cyclical (183)	17.2%	16.4%	15.2%
Consumer Defensive (84)	19.0%	18.7%	18.3%
Energy (51)	10.8%	9.0%	9.9%
Financial Services (121)	18.1%	17.9%	16.6%
Healthcare (74)	17.4%	16.4%	15.8%
Industrials (147)	14.7%	13.0%	12.0%
Real Estate (11)	19.4%	16.0%	15.5%
Technology (86)	14.7%	14.1%	13.2%
Utilities (54)	19.9%	19.0%	17.7%

Total # Companies: 893

T AND Z COMPANIES FALL OFF THE LIST

Consistent with industry research showing that companies with women directors outperform companies without,ⁱ we find that companies falling out of the *Fortune 1000* tend to be T and Z companies. Between 2012 and 2013, 37 companies dropped off the list. Of those, 11 were T companies and 13 were Z companies, a total of 65%.

i. *The Bottom Line: Corporate Performance and Women's Representation on Boards*, Catalyst, 2011; *Women Matter 2010: Women at the Top of Corporations: Making it Happen*, McKinsey & Company, 2010; *Gender Diversity and Corporate Performance*, Credit Suisse, 2012

FEWER WOMEN DIRECTORS IN MALE-DOMINATED SECTORS, BUT ...

Companies in male-dominated sectors like Energy and Technology have historically had fewer women directors than companies in more gender-neutral industries like Consumer and Healthcare. But things seem to be changing.

According to *Mining the Metrics of Board Diversity*,ⁱⁱ a study of 4100 public companies around the globe, Technology, Industrials and Staple Consumer companies lead in gender-diverse boards.

Our analysis of the 2020 Index companies shows that the percentage of women directors has grown in all but one category, Energy, which had a slight dip in 2012. Especially encouraging is the growth in some traditionally male-dominated sectors. Utilities leads the gender diversity pack followed by Real Estate, Consumer, Financial Services and Healthcare.

ii. *Mining the Metrics of Board Diversity*, Thomson Reuters, 2013

“Elevating the topic of board diversity with company management and **increasing the percentage of women on boards is vital** to improving the performance of companies in which we invest.”

JOE KEEFE President and CEO, Pax World

ANALYSIS OF *FORTUNE 1000* BOARD COMPOSITION BY STATE

While no state with nine or more companies in the Index is at 20% yet, five states, Massachusetts, Michigan, New Jersey, New York and Washington, are at 19% or greater. This is a major improvement over 2012 when no state was over 19% and only New York was over 18%. Six states added more than five women in 2013 including California, Florida, New Jersey, New York, Tennessee and Texas. Between 2011 and 2013, 24 of the top 25 states added women, including New Jersey, New York, Ohio and Tennessee who added 12 or more women. The only state in the top 25 that lost a woman was Colorado. These 25 states represent 91% of the *Fortune 1000* database (815 of 893 companies).

STATE (# of Active Companies ⁱ)	2013	2012	2011
Arizona (13)	13.4%	13.6%	12.8%
California (88)	16.2%	15.4%	15.0%
Colorado (12)	12.2%	12.2%	12.3%
Connecticut (26)	17.4%	16.0%	16.1%
Florida (30)	16.0%	14.1%	15.5%
Georgia (28)	15.3%	14.8%	13.3%
Illinois (49)	17.2%	17.8%	15.7%
Indiana (14)	12.2%	14.2%	12.1%
Maryland (9)	18.0%	16.1%	12.4%
Massachusetts (23)	19.2%	17.2%	16.2%
Michigan (24)	19.0%	17.1%	18.3%
Minnesota (28)	16.9%	17.3%	15.8%
Missouri (22)	16.7%	16.0%	14.0%
Nebraska (10)	12.6%	10.4%	7.9%
Nevada (9)	12.8%	13.0%	12.0%
New Jersey (40)	19.1%	16.5%	15.6%
New York (91)	19.6%	18.5%	17.7%
North Carolina (22)	15.9%	16.2%	15.9%
Ohio (53)	17.4%	16.6%	15.2%
Pennsylvania (44)	13.1%	12.5%	12.5%
Tennessee (23)	15.6%	12.4%	9.8%
Texas (91)	13.1%	11.9%	11.7%
Virginia (28)	15.1%	14.9%	12.8%
Washington (13)	19.7%	17.5%	17.8%
Wisconsin (25)	17.9%	17.6%	15.7%

i. Based on 2013 active companies.

THE CAMPAIGN IS WORKING

THANK YOU TO OUR RESEARCH TEAM

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CONCLUSION

On the Gender Diversity Index, 58 companies have dropped off the original 2010 *Fortune 1000* list since 2011. With these companies off the list and some companies shrinking their boards there are 639 fewer board seats in 2013 than in 2011. Yet, there are 86 more women on boards. Women are increasingly obtaining a seat at the table in most states and sectors. Large companies are more enlightened about the value of diversity than smaller ones.

While this progress is encouraging, we have yet to create a corporate imperative for diversified boards. Our continued education and advocacy activities include our annual *National Conversation on Board Diversity* on 11/12/13, our monthly *2020 Challenge*, our applauding of  companies, our growing database of supporters on our website and in social media, and our increasing number of local chapters.

We are optimistic. The landscape is changing. We are determined. We will achieve our goal of 20% or more corporate board seats held by women by or before 2020. Join the campaign. Voice your support of the issue. Together, we can make it happen!

METHODOLOGY

The 2020 Women on Boards Gender Diversity Index took the 2010 *Fortune 1000* companies as the baseline list. Researchers verified the number of women and total board members for all these companies in 2011, 2012 and 2013, utilizing September as the cutoff date. If companies no longer had an active board of directors, due to a sale, merger 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 of directors. In a very few instances, companies went off the list in one year and returned to the list in a future year. The number of companies in the database each year was as follows: 2011 (951); 2012 (928); and 2013 (893).

The numbers of board seats that we report are net increases or decreases. If two women are added to one company and one drops off another company that would be reported as an increase of one woman board seat.

For the overall percentage of women on boards, we used all of the companies on the list at that time. When we are comparing states and sector data, we only used the 893 companies that were active in 2013. While we analyzed all states, we are only reporting on the top 25 states that have nine or more *Fortune 1000* companies. This represents 91% of the Index companies.

All data was verified by three researchers and then 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 company's 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 www.2020wob.com/companies. The 2020 Gender Diversity Directory may be searched by company name, city, state, sector, number of women or 2020 rating.