

Balance *for Better* Business

first Report

May 2019



Ríaltas na hÉireann
Government of Ireland



This is the first report to Minister of State David Stanton T.D. of the Balance for Better Business Review Group.

Balance for Better Business is an independent business-led Review Group established by the Government to improve gender balance in senior leadership in Ireland.

The Review Group is co-chaired by:

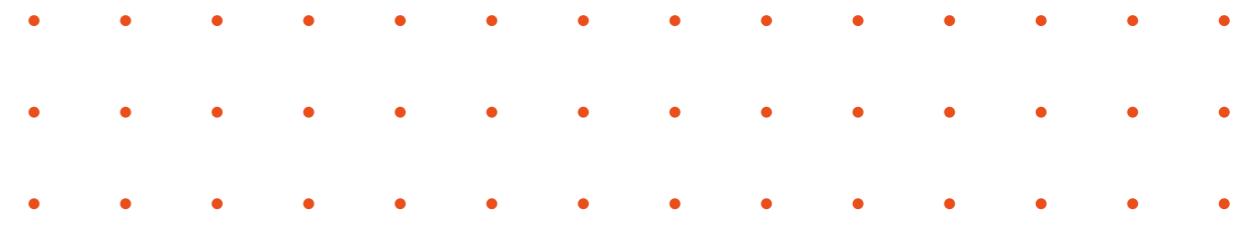
- Bríd Horan** (Chair, Nephin Energy and formerly Deputy CEO ESB)
- Gary Kennedy** (Chair, Greencore and Green Reit)

The other members of the Review Group are:

- Carol Andrews** (Global Head of Service Directors, BNY Mellon)
- Mark FitzGerald** (Chair, Sherry FitzGerald)
- Aongus Hegarty** (President Europe, Middle East and Africa, Dell Technologies)
- Danny McCoy** (CEO, Ibec)
- Orlaigh Quinn** (Secretary General, Department of Business, Enterprise and Innovation)
- Martin Shanahan** (CEO, IDA Ireland)
- Julie Sinnamon** (CEO, Enterprise Ireland)
- Fiona Tierney** (Non-Executive Director and formerly CEO, Public Appointments Service)

The Programme Director is **Anne-Marie Taylor**

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Forewords

Irish business has a proud tradition of being agile, open to the world and responsive to its environment. Its capacity for change and modernisation has enabled Irish business to seize the opportunities of a global marketplace.

However, there is an opportunity that Irish business is not yet using to best effect. Companies in Ireland are not yet fully drawing on and developing the talent of the many experienced women available to take seats at the boardroom table and in the most senior levels of management. The percentage of women on the boards of major companies in Ireland remains significantly lower than that of other EU Member States and other international high performing global economies. What is more, while there has been progress in many of the largest companies, almost one third of companies listed on the Euronext Dublin markets do not have any women board members.

This situation must change if Irish companies are to modernise and be fully reflective of the dynamic society in which they are located. Achieving better gender balance on their boards and executive leadership teams will enhance overall performance for such companies, enabling them to better understand their customers and the changing environment in which they are operating. Better gender balance will enable them to draw on a wider pool of talent.

One hundred years ago, in April 1919, Ireland led the way when Constance Markievicz became both the first Irish female Minister and one of the first women in the world to hold such a position. Her appointment was an important symbol of the new independent Ireland. It is now vital that business play its part in creating the new Ireland of the twenty-first century

that builds on available talent and that inspires young women and men to see a future for themselves in Irish business. The future for Irish business lies in opening up more fully to the opportunities of the female and male talent now available.

The Government established Balance for Better Business in July 2018 with the aim of improving gender balance within senior business decision-making. This is an exciting initiative that has the potential to transform Irish business and to give it the edge to seize the opportunities that lie ahead.

I am asking all Irish companies to respond to the initiative, to open up boardrooms to more female talent and to build the pipeline of female executive leadership. I urge key decision makers to develop action plans to address this challenge. It is time to end practices of the past that are now hampering Irish business's strategic agenda and I look forward in particular to an early end to all-male boards. As we go into a new decade on 1 January 2020, the Government urges Irish companies to demonstrate their commitment to modernity by ensuring they all have women on their boards by then.

Working together, let's take the steps to achieve better gender balance in corporate decision-making. Taking action now will enable Irish business to maintain its proud reputation for dynamism and innovative leadership.



Minister David Stanton T.D.

Minister of State for Equality, Immigration and Integration

In the last 50 years or so Ireland's business profile has been transformed by the aptitudes, adaptability, emotional intelligence and creativity of the workforce. This has allowed Ireland at long last to succeed economically and socially as part of a world rather than an observer of it.

Irish business and global companies operating here need Ireland to continue to succeed and maintain its status as part of a modern, outward looking Europe. However, on gender balance in business, unfortunately, we are a laggard rather than a leader.

In July 2018 the Government appointed us as co-chairs to lead an initiative to help to redress that position. In launching Balance for Better Business and in scoping the terms of reference we were guided by:

- ✓ the position of Irish publicly quoted companies (particularly the ISEQ 20) relative to their peers, both in Ireland and internationally
- ✓ the unique position of private companies in Ireland and their major contribution to GDP and to employment
- ✓ the significant contribution of the multinational companies to GNP, employment and the broader business community.

Our initial focus is on the boardrooms of publicly quoted companies where data for analysis and comparability is publicly available. We will be extending our analysis and recommended targets to other companies and to executive levels in future reports. We strongly believe that change must not be just about tokenism or a

numbers game and must have a deeper business and societal impact. Business needs to address systemic deficits in culture, people development, selection and promotion processes and to create an enabling environment for female participation at the highest levels, on boards and in executive leadership.

We need to recognise the significant pool of qualified and experienced female talent that already exists but too often is overlooked in making key appointments. Women are the most under-utilised economic asset in the world and the countries and businesses that recognise this are the ones that will do best in the world of tomorrow.

In the post war period, the national imperative was to retain our people. Now our national imperative is to take full advantage of our growing prosperity and build on it. We can't do that in the years ahead unless we have all hands on deck.

The Government has sponsored this initiative at the highest levels. We ask that businesses recognise the case for gender balanced leadership and their responsibility to accelerate progress against the stretching but attainable targets in this report. We have had a robust debate on the merits of targets versus quotas and have elected, at this stage, to recommend targets. Government has indicated it may consider more prescriptive measures if leadership by the business

community does not yield acceptable progress. Now is the time for business leaders to take ownership of this issue, to take the lead by making progress at board and senior management levels.

The key metrics of business performance are no longer simply financial ones; the culture and balance of a company, and the well-being of those who work in it, lead to satisfied customers and, ultimately, shareholder reward for the risk they take.

Women and men at work, operating as equals in every way, lead to the sort of transformational outcomes that deliver results for business, the people who work for them and for the country they work in.

We would like to thank everyone who has engaged in this process to date. We are grateful to An Taoiseach, Leo Varadkar T.D. and Minister of State David Stanton T.D., for their sponsorship and active support

of our work. The Review Group's considerations were enriched by constructive and valuable insights from our Advisory Group and we look forward to their continued input as we progress our work. As co-chairs, we would also like to thank the Review Group members for their exceptional contribution of time and effort and for their open and positive approach to discussions. We would like to acknowledge our Programme Director, Anne-Marie Taylor, and our support team from the Department whose knowledge and guidance are invaluable. Finally, we would like to acknowledge the generous support from a number of organisations and look forward to a continuation of this spirit of cooperation. We hope that this report and its recommendations will support the work being done by others and accelerate the progress towards gender balanced business leadership.



Brid Horan



Gary Kennedy

“ We ask that businesses recognise the case for gender balanced leadership and their responsibility to accelerate progress against the stretching but attainable targets in this report.

Executive Summary

The Irish business community, supported by Government policy, has developed Ireland's economy as outward-looking, open to change and ready for new challenges.

However, there is a remaining challenge which needs to be tackled urgently. Although there are several excellent initiatives underway which focus on various aspects of the gender balance issue there continue to be serious gender disparities in the corporate leadership of Irish companies. We have seen from other countries that change can happen quickly when this issue is prioritised.

Since its establishment by An Taoiseach, Leo Varadkar T.D. in 2018, the Balance for Better Business initiative has focused on supporting major Irish companies to achieve better gender balance in their leadership teams. Balance for Better Business favours a voluntary approach in which companies themselves take action to introduce the necessary reforms, thereby avoiding the need for legislation to impose gender quotas.

This first report of the Balance for Better Business Review Group outlines the gender composition of publicly listed companies in Ireland¹. The data reflects the position at 1 March 2019.

Female Directors in Irish Listed Companies

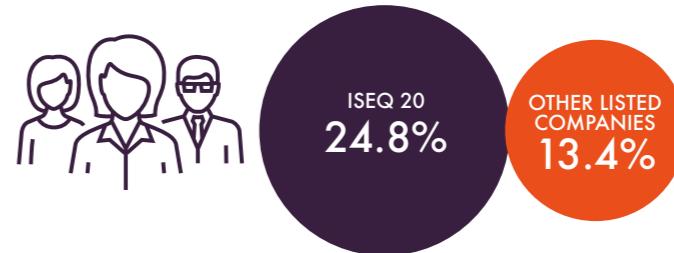
**16.4% FEMALE DIRECTORS
OVERALL**



**8.8% FEMALE EXECUTIVE
DIRECTORS**



**19.3% FEMALE NON-EXECUTIVE
DIRECTORS**



*Note: ISEQ 20 comprises the 20 companies with the highest trading volume and market capitalisation

We are pleased to note that progress has been achieved since the initiative was launched. The overall percentage of women on Irish publicly listed boards has increased in the last year from 14% to 16.4% and two of the ISEQ 20 companies have appointed women to their boards for the first time.

However, the momentum needs to accelerate and to be sustained for balance to be achieved. In recent years, Ireland has slipped further behind other EU member states.

It is also important to go beyond tokenism. One female representative on a board does not constitute good gender balance.

Business Case

We consider that there is a strong business case for better gender balance. Our report outlines the reasons why it makes good business sense to achieve better gender balance in corporate leadership. These include wider access to the entire pool of talent, greater diversity of thinking and increased responsiveness to consumer requirements. The importance of gender balanced leadership is also widely recognised by leading investor groups who are increasingly questioning the composition of boards and calling for change in this respect.

The evidence linking improved performance to better gender balance is clear and many companies have taken action to address this. Unfortunately, not all companies have done so, and where change is happening the pace is often slow; a more focused and active approach is needed.

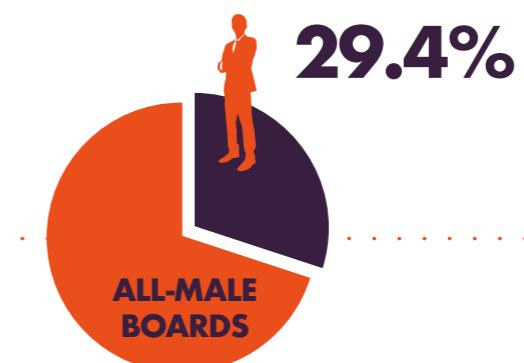
Targets

We consider genuinely gender balanced leadership involves a minimum of 40% of either gender. In line with our mandate to set progressive gender targets, we are proposing a target of at least 33% female directors for ISEQ 20 companies by the end of 2023, and 25% for other listed companies. We are also setting interim targets for each year so that companies can measure their progress towards change against concrete annual milestones.

We have also set a target that by the end of 2019 no listed company should have an all-male board.

All-Male Boards

March
2019



December
2019



Targets for Women on Boards of Listed Companies

March
2019

ISEQ 20

20.9%

By end
2020

25%

By end
2021

27%

By end
2022

30%

2023

33%

**Other Listed
Companies**

12.1%

18%

20%

22%

25%

Since sustainable change will take time, we ask companies to plan and take action now so that they achieve the interim targets which represent important steps towards the 2023 targets. These are milestones on the journey towards genuinely gender balanced leadership.

Our Next Steps

We will monitor and report on the performance of companies against the yearly and 2023 targets and will analyse the changes to identify if additional measures are needed to achieve the targets. In future reports we will also set targets and monitor trends in regard to major private and multi-national companies.

We are developing a programme of engagement with major companies and key business influencers to raise awareness of the need for change and to share with them models of good practice that can achieve change. We are ready to work with them to identify how we can tackle barriers preventing change.

We ask the Chairs and CEOs of major companies to work with us to achieve change and to devote the necessary time and resources to this area. Tackling the current gender disparities warrants their personal leadership and commitment to change.

We look forward to being in a position in our next report to point to a pattern of accelerated progress toward better gender balance. This is an opportunity to have a profound effect on the culture within organisations and to drive a generational change which will have a positive impact for people working at all levels within a company for decades to come. We all have a responsibility to play our role in achieving this.



It is incredible that in 2019 almost 30% of Irish listed companies fail to benefit from gender diversity at board level and are still all-male, while the vast majority do not have female Executive Directors.

Companies are missing out on input from 50% of society, and more than 70% in terms of consumer purchasing decisions.

Academic studies unequivocally demonstrate the value of having women on boards. So what does it take for companies to realise what they are missing? Irish plcs need a policy of open, competitive, merit-based appointments with a consistent focus on building well-diversified boards, not just gender diversification, but true diversification of thought.

We need to work together to bring Ireland into the 21st century, with leadership appropriate to a modern, dynamic, inclusive society. I encourage companies to accept the challenge of "Balance for Better Business". We will all reap the benefits.

Joan Garahy

Non-Executive Director - Kerry Group plc,
Irish Residential Properties REIT plc, Icon plc

Targets and Recommendations

3

Achieving gender balance in all areas of society and in business requires change in behaviours, in organisational cultures, in affordable supports for those with caring responsibilities, particularly childcare, and in other areas. We recognise that this broader change is needed to drive and support sustainable change in the gender balance in decision-making roles including in business leadership.

Nonetheless, we also believe that change can and should be happening at a more rapid pace in Irish business. In line with our terms of reference and to accelerate and broaden progress towards achieving gender balanced business leadership, we will issue reports at least annually. These reports will include our analysis of the issues affecting progress and recommendations for action.

In this first report, our recommendations are focused primarily on the boards of those companies traded on the Euronext Dublin markets. Our future reports will extend analysis and recommendations to incorporate the boards and executive leadership of other leading companies, including private companies and major multinational corporations operating in Ireland. This reflects the significance of these companies for the Irish economy and workforce.

Gender balance in society is broadly 50:50 and this should be the aim in working towards balance in large groups or populations. In relation to leadership groups such as corporate boards and senior management groups, which tend to be relatively small in number, we believe that balance can be represented broadly by aiming to have at least 40% from each gender. We envisage that for individual boards and leadership teams a balance of 40:60 should be the direction of travel for the medium to long term. If this is to be achieved, then measurable incremental change in the short to medium term is essential.

In setting targets our focus is on this incremental change, while strongly encouraging those organisations who have already achieved the targets to continue to strive towards genuinely balanced leadership.

To support the achievement of these targets and to accelerate progress towards gender balance in business leadership, we recommend a number of specific actions by boards, and others who play important roles in relation to corporate boards. This includes regular reporting on diversity policies and board gender balance.

While the focus of this review is on publicly listed companies, we believe that the benefits of better gender balance apply to all organisations and urge all businesses to actively consider adopting the targets and recommendations below to drive progress in their own company. We also encourage all business leaders to engage fully with other initiatives and supports designed to accelerate change.

Targets

We believe that setting targets is an important part of achieving change in most aspects of business, creating focus and milestones to inform action plans. We have set the following targets for the percentage of women on the boards of companies traded on the Euronext Dublin markets. To ensure momentum is maintained, we have also set interim yearly targets that represent milestones between 2020 and 2023.

Table 1: Targets for Women on Boards of Listed Companies

	ISEQ 20	Other Listed Companies
Current	20.9%	12.1%
By end 2020	25%	18%
By end 2021	27%	20%
By end 2022	30%	22%
By end 2023	33%	25%

We have also set a target that by the end of 2019 no company traded on the Euronext Dublin markets should have an all-male board.

The targets are realistic but will involve a stretch for some companies. They have been carefully calibrated to achieve the momentum that is now needed for change. In order for companies to achieve or exceed the overall targets set, it is important that care is taken to ensure an appropriate percentage of female representation among new board appointments. What will be required in any individual company to achieve the targets will depend on their starting position and also what takes place in relation to exits among existing female board members. We note that in 2018 / 2019 the overall average percentage of female directors among new board appointments on ISEQ 20 companies is 37.9% and believe that companies should be aiming to exceed this percentage in order to accelerate progress, ideally increasing the rate to at least 50% of new appointments.

For the companies that achieve these targets, we strongly recommend a continued focus and drive to fully achieve gender balance in all levels of leadership and business. It should be noted that the journey towards genuine gender balance will continue beyond 2023.

Recommendations

1. Action plan to achieve targets

Each board, led by their Chair, should develop an action plan to achieve the targets including:

- ✓ *the processes they intend to adopt*
- ✓ *timelines*
- ✓ *monitoring mechanisms.*

2. Broaden search

Chairs and Nomination Committees should broaden their search for potential directors and develop action plans now to:

- ✓ *change nominating practices for boards, including their selection criteria, to be fully inclusive of women and men*
- ✓ *review board size and turnover*
- ✓ *develop the pipeline for future female leaders within their companies.*

In particular, consideration should be given to working with external search firms with the demonstrated commitment to access a broader and gender balanced pool of potential directors, ideally through commitment to the Executive and Board Resourcing Code 2019² developed by the 30% Club Ireland and Ibec in consultation with search firms and employing companies.

Companies should also ensure that all selection and promotion processes, whether exclusively among internal candidates or open to external applicants, are fully inclusive of women and men and should also commit to the principles set out in the above Code in relation to such processes.



We know that diversity at board and senior levels in organisations leads to better business outcomes, so it is important that we continually challenge the perception that there are not enough board-ready women in the marketplace. Changing board composition takes time and while an important first step is to set clear gender diversity targets and to require a balanced slate for all new board appointments, expanding the field of vision is essential to broadening the potential talent pool. By focusing on competencies and skills as opposed to functional expertise and previous board experience, a wider talent pool can be accessed and adding complementary skills from other spheres can create a rich balance of perspectives around the boardroom table.

Nicky Hartery
Chair, CRH plc

3. Transparency and reporting

Euronext Dublin have adopted the requirements for reporting set out by the Financial Reporting Council in 2018 in the UK Corporate Governance Code and these, therefore, apply to the companies listed on the Main Securities Market of Euronext Dublin. Relevant companies are required to report on:

- ✓ *the process used in relation to appointments and approach to succession planning*
- ✓ *how both support developing a diverse pipeline*
- ✓ *the board's policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives*
- ✓ *the gender balance of those in senior management and their direct reports.*

We recommend that **all** boards should apply these requirements which, in our view, focus on good practice in relation to gender balanced senior leadership.

4. Key influencers

Those who are in a position to influence decision-making by boards, in particular investors, regulators, advisors and representative organisations should engage directly with board Chairs, Senior Independent Directors and Nomination Committee Chairs to encourage them to recognise the benefits of gender balanced leadership and decision-making and to promote targeted actions to advance this.

Call to Action

4

WHO	WHAT	
Boards of listed companies		
	ISEQ 20	Other Listed Companies
	By end 2020	25%
	By end 2021	27%
	By end 2022	30%
	By end 2023	33%
	✓ Put plans in place to achieve the targets set out in this report:	
		✓ No all-male boards by end 2019.
		✓ Monitor progress against achievement of the targets.
All boards		
	✓ Develop action plans to improve gender balance on boards and in senior leadership. Consider increasing the size of the board rather than waiting until existing board tenures expire. Set a goal of at least 50% of new appointments to be female.	
	✓ Create gender balanced succession plans for Chair and Senior Independent Director roles.	
	✓ Review nomination criteria and processes to broaden the search for potential directors and to identify and address systemic deficits in selection procedures. Explicitly include women on the candidate lists for new board appointments.	
	✓ Report on the process for board appointments and succession planning and how these support a diverse pipeline.	
	✓ Report on the board's diversity and inclusion policy, how it has been implemented and progress in achieving its objectives.	
	✓ Report on the gender balance of senior management teams.	
	✓ Comply with Balance for Better Business data provision requests in a timely fashion.	
Board Chairs		
	✓ Demonstrate visible commitment to achieving gender balance on boards and executive teams.	

Investors and regulators	<ul style="list-style-type: none"> ✓ Engage with boards to promote targeted actions to achieve gender balanced leadership. ✓ Monitor progress of boards in achieving gender balance and use influence and/or voting power to secure progress where appropriate.
Business leadership organisations and advisors	<ul style="list-style-type: none"> ✓ Engage with boards to promote and support actions to achieve gender balanced leadership.
Executive Search (external and internal)	<ul style="list-style-type: none"> ✓ Actively promote and support gender balanced search and selection processes, ideally through commitment to the Executive and Board Resourcing Code 2019 developed by the 30% Club Ireland and Ibec.
Balance for Better Business	<ul style="list-style-type: none"> ✓ Monitor and report on progress against targets. ✓ Engage with major companies and key business influencers to raise awareness and to share models of good practice. ✓ Set targets for boards of private companies, and executive leadership for publicly listed companies, private companies and multinationals in Ireland.
Policy makers	<ul style="list-style-type: none"> ✓ Continue to address structural issues which affect women's full participation in Irish business life, including flexible working practices, measures to support women in science and technology and women entrepreneurs, and in particular the high cost of childcare. ✓ Monitor achievement of targets set out in this report and consider the introduction of quotas if targets are not achieved.

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It's time to debunk comments like 'It's too hard to find suitable women for the board', 'There are very few senior women in our sector' and, my favourite, 'We have a woman already'. These excuses are simply an avoidance mechanism, untrue, patronising and derisory. They ignore the evidence of the business benefits of board gender balance and demonstrate a bias in preferring the status quo, together with a gendered perception of the skills required to be an effective NED. It's simple: evidence proves gender balanced boards achieve better financial results. It's time to embrace this reality. Diversity is a strategic priority that contributes to better board decisions, not a nice thing to do when time permits. The conclusion is straightforward. Change is needed now. Women are not unicorns. They can be found.

Rose Hynes

Chair, Origin Enterprises plc

Background

5

There is a strong and proven business case for better gender balance on corporate boards and in the leadership teams of major companies. We also believe better balance is important in developing the workforce of the future. If young women can see role models now within the senior leadership of major companies, we believe that they will be encouraged to opt for careers within such companies and will be inspired to strive towards corporate leadership in the future.

While these issues have been on the strategic agenda for many companies, a gap has emerged between EU and Irish businesses. Comparable data from the European Institute for Gender Equality indicates that women made up only 18.1% of the boards of Irish registered ISEQ 20 companies in 2018, compared to an average of 26.2% for similar companies across the EU. Ireland had a disappointing ranking of 17th among the EU 28.

We recognise that there are significant structural and other factors affecting women's full participation in Irish business life. These include the:

- ✓ lower rates of female participation in the labour market
- ✓ continued occupational segregation within the labour market
- ✓ lower percentage of women with STEM qualifications
- ✓ high cost of childcare in Ireland by comparison with other EU member states.

Unconscious bias is also cited as inhibiting the advancement of women in business, as it is in other sectors of society.

These are all factors which shape women's decisions in terms of the labour market and career advancement, and are reflected in a gender pay gap in Ireland of 13.9%. These factors need to be addressed in order to ensure women's equality in Irish society.

However, the progress that has been achieved on gender equality at senior levels in a number of businesses, in the leadership of the public service and in the representation on State boards confirms that targeted action by the leaders of major organisations can achieve transformative effects notwithstanding the broader structural issues that influence gender choices. For example, as of February 2019, 34% of senior level civil servants in Government Departments were women (Secretary General, Second Secretary, Deputy Secretary and Assistant Secretary grades). This represents an increase of 73% since 2009 when women accounted for only 19% of these grades. It reflects a policy of open, competitive, merit-based appointments via the Top Level Appointments Committee, and a consistent focus on building a pipeline of female leadership within the Civil Service since the National Women's Strategy was agreed in 2007. Similarly, the target for 40% gender balance on State boards has now been achieved in respect of the average membership of such boards. 41% of all members of State boards were women as of July 2018. The progress made in this area follows concerted Government action, since 2014 in particular, to make the appointments process more transparent and to monitor the gender composition of appointments actively. The Government is continuing to focus on this issue to ensure that the 40% target is achieved on State boards that currently do not meet the target.

Government makes a commitment to action

The low representation of women in decision-making positions in Ireland represents a vast pool of untapped potential and under-utilised talent. Recognising the strategic benefits of reflecting diverse skills, experiences and viewpoints in decision-making structures and concerned about the slow rate of progress, particularly in the business sphere, the Government committed in its Programme for Partnership to promoting women's participation in decision-making.

The subsequent National Strategy for Women and Girls 2017 - 2020 included a number of actions to address gender issues in the workplace including addressing the issue of the gender pay gap through the promotion of wage transparency. The Government's Gender Pay Gap Information Bill, requiring companies of 50 or more employees to complete pay surveys periodically and report the results, was published in April 2019 and currently awaits Second Stage.

- Former UN Secretary General Ban Ki-moon has noted that "Countries with higher levels of gender equality have higher economic growth. Companies with more women on their boards have higher returns. Peace agreements that include women are more successful. Parliaments with more women take up a wider range of issues - including health, education, anti-discrimination, and child support".

Women make up 50% of our talent in Ireland. We should be ambitious in using all of this talent and reflecting the society we live in. Why limit ourselves by applying or accepting old stereotypes? We should focus on achieving strong leadership, agility and inclusion as we continue to build the open, global and innovative society and economy that we want in Ireland.

We know that gender balance can and does improve board effectiveness. We also know that targets work. The 40% target set by Government to increase participation by women on State Boards has been successfully achieved. We now need to ensure that our business community can follow this lead and achieve similar outcomes. I am fully confident that Boards which embrace this challenge will benefit from new possibilities and new opportunities.

Dr Orlaigh Quinn

Secretary General, Department of Business Enterprise and Innovation

Two other key actions to achieve greater gender balance in business leadership were identified in the National Strategy:

- ✓ **Action 4.1** Commission an independent review of the situation of women in the governance and senior management of companies in Ireland and of measures to promote and to increase women's representation, such as targets for business.
- ✓ **Action 4.2** Informed by the recommendations of the independent review (at action 4.1), develop and implement a package of measures to promote greater representation of women on corporate boards and in the senior management of companies.

Establishment of Balance for Better Business Review

The progress achieved within a number of private companies and in the public sector on increasing the percentage of women in decision-making positions has confirmed that committed leadership and targeted action can achieve results.

In 2018, the Government invited senior business leaders representative of diverse business sectors to come together as an independent business-led Review Group to accelerate the process of change. The resulting initiative, 'Balance for Better Business', was launched in July 2018 with the following terms of reference:

The Review Group shall examine and inquire into the current situation of women in the governance and senior management of companies in Ireland. In particular, the Review Group shall:

- ✓ Examine and inquire into the current position in regard to the gender balance on the boards of companies whose registered office is in Ireland, focusing in the initial phase on companies listed on the Main Securities Market and the Enterprise Securities Market of Euronext Dublin (formerly the Irish Stock Exchange), and, seeking views and consulting with interested parties, analyse the factors influencing the appointment of Executive and Non-Executive company directors.
- ✓ Having regard to its findings, set progressive targets over a 5-year period for the achievement of gender balance on the boards of these companies.
- ✓ Consider what initiatives should support companies to move forward to meet those targets.
- ✓ Engage with the relevant companies and support them to implement initiatives.
- ✓ Report on its findings and recommendations to the Minister for Justice and Equality by Q1 2019.

The Review Group is supported by a wider Advisory Group of senior business leaders, public sector representatives and representatives of Ibec, the Irish Congress of Trade Unions and the National Women's Council of Ireland (Annex 1).

Targets versus Quotas

Several countries such as Norway have chosen to introduce quotas as the means of achieving better gender balance on corporate boards. Our mandate from Government is to set targets rather than quotas. In considering the relative merits of quotas and targets, we have noted that progress has been achieved in a number of countries where either of these approaches has been adopted. Nonetheless, where quotas have been adopted the focus has primarily been on boards and, while real progress has resulted at this level, that progress is not widely replicated beyond the scope of the prescribed quotas, and in particular, is not reflected in improved gender balance in senior executive positions.

We see setting voluntary targets as a preferable option for Irish business at this point. This reflects our belief that businesses can and will respond positively to such a voluntary approach and would support our intention to extend the focus to executive leadership in future reports. Change at executive level does not lend itself to being driven by a quota-led approach. We believe that setting progressive targets will encourage companies to focus both on change at board level and on building the pipeline of female talent throughout the organisation in a sustainable manner. However, the success of our approach requires the voluntary cooperation of major companies. If companies do not cooperate, a legislative approach may instead be necessary to achieve change.

Engaging with our Stakeholders

We believe that active engagement with the business community to explain our approach and to promote awareness of the business benefits of gender balance is an important element of our work. To this end, we have been involved in a number of key events to raise awareness of the initiative within the business community and to enlist the support of corporate leaders and other stakeholders. Further details of this engagement can be found on our website www.betterbalance.ie.

Engagement and influencing will continue to be an important element of our work in the coming years and we have initiated dialogue with a number of organisations with a view to progressing this. We will also invite submissions from other interested parties.

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In respect of the listed company sector, although some progress has been made, it is clear that there is more to achieve and the pace needs to pick up. Diversity of all types, including gender diversity, is important. The benefits of a diverse workforce have been proven time and time again. At Euronext Dublin, we embrace diversity and are very supportive of the initiatives by Balance for Better Business and their engagement with listed companies.

Daryl Byrne

CEO, Euronext Dublin

Business Case



Positive business outcomes have been a key driver for many of the most successful companies in Ireland and internationally who have pursued gender balanced leadership. Enhanced decision-making ultimately impacts positively on the bottom line in terms of financial results for businesses.

For example, a recent report by McKinsey³ presents evidence from 346 companies and suggests that companies in the top-quartile for gender diversity within executive boards were 21 percent more likely to outperform on profitability. A further study conducted by Morgan Stanley Research⁴ observed a higher Return on Equity among companies with greater gender diversity.

There are many other examples of research demonstrating the business case for gender balance. A selection is included in the references in Annex 4, and our website, www.betterbalance.ie, includes a more comprehensive listing.

The main channels through which greater gender balance can impact on company performance include:

1. access to the entire pool of talent
2. diversity of thinking
3. increased responsiveness to consumer requirements.

1. Access to the Entire Pool of Talent

Better recruitment outcomes are achieved when companies have access to a larger pool of potential candidates. In this context, gender balance makes commercial sense, as it provides an expanded choice for leadership positions. Furthermore, ensuring that business leadership is gender balanced has the added effect of assuring those joining the organisation that there are no barriers to their progression to the most senior levels. This helps to ensure that at all levels of the workforce, both women and men see opportunities for themselves to contribute fully, thus making the organisation equally attractive to the highly educated and talented young women seeking employment.

2. Diversity of Thinking

Gender balance on boards also expands companies' access to a broader range of experiences, perspectives and skillsets. This in turn is likely to strengthen board independence⁵ and reduce the likelihood of 'groupthink'.⁶ The disadvantages of such groupthink are well known, in that it can lead to significant risks and result in companies missing out on new market opportunities or new ways of doing business. There are also benefits arising from diverse boards in terms of more effective corporate governance behaviour.⁷ These positive consequences for companies arise in part because certain traits differ across gender.⁸ Company boards that are gender-balanced are shown by research to be more likely to have more effective procedures for measuring strategy and codes of conduct, as well as having a broader focus on performance measures such as consumer satisfaction and corporate social responsibility. Gender-balanced boards are more likely to give sufficient emphasis to areas such as risk management, human resource and corporate governance.

By bringing greater diversification to board expertise, this can also lead to positive changes in the behaviour of all board members.⁹

3. Responsiveness to Market

The presence of women on boards can also deliver increased responsiveness to market needs and consumer requirements. The additional information available to a more balanced board, and the greater focus on consumer requirements, can have fundamental impacts on business performance. Research reported by Bloomberg¹⁰ suggests that women control approximately 70% of consumer spending. In an analysis undertaken in Ireland on the business case for greater gender participation, it was suggested that businesses are starting to recognise the role of women in consumer spending decisions, and are "seeking to mirror the market by having more women on their boards to

3. McKinsey, 'Delivering through Diversity', Hunt et al (2018)

4. Morgan Stanley Research (2016)

5. Fonda and Sassolas (2000)

6. Maznevski (1994), and Wahid (2018)

7. Brown et al (2002)

8. Ahern and Dittmar (2012) and Adams and Ferreira (2009)

9. Kim and Starks (2016), Ismail et al. (2013), Vigeo Eiris (2018)

10. Bloomberg (2018)

“

Diversity matters – diversity of thought, background, experience and intrinsic and extrinsic characteristics. Indeed, a lack of diversity at senior management and board level is a leading indicator of heightened behaviour and culture risks.

Ed Sibley

Deputy Governor, Central Bank of Ireland

contribute to, and inform, the decision-making process that targets the consumer”.¹¹ The examination of the business case for greater gender balance on boards conducted for the Davies Review in the UK suggested that “having women on boards, who in many cases would represent the users and customers of the companies’ products, could improve understanding of customer needs, leading to more informed decision making”.¹²

Investor Perspective

Leading investor groups have stated their conviction that enhancing gender balance in corporate leadership adds to company performance in several respects, including financial performance.

For example, in 2018 State Street Global Advisors announced an enhancement to its board gender diversity voting guideline designed to further encourage companies to diversify their boards. Starting in 2020 in the US, UK and Australian markets, and in 2021 in Japan, Canada and continental Europe, State Street Global Advisors will vote against the entire slate of board members on the nominating committee if a company does not have at least one woman on its board, and has not engaged in successful dialogue on State Street Global Advisors’ board gender diversity program for three consecutive years.¹³

In 2018, BlackRock Inc. were reported to have rejected excuses from companies that say they cannot find women to fill board roles and called on companies to “look for directors in more uncommon places”.¹⁴ Based on their research showing that more diverse boards get better results, BlackRock have written to companies in the Russell 1000 Index with fewer than two women on their boards asking them to explain their lack of progress.

“Every man was a first-time director once. If someone took a bet on an untrained director who happened to be a man, you can take a bet on an untrained director who happens to be a woman.” Michelle Edkins, BlackRock Global Head of Stewardship.

Proxy advisors who provide advice on voting policies for investors are also playing an active role in calling for change. From 2019 meetings, Glass, Lewis & Co. will generally recommend voting against the nominating committee Chairs of boards with no female members and will evaluate other factors, including company size, the relevant industry, and the company’s governance profile, to determine whether to extend this recommendation to vote against other nominating committee members.¹⁵

Institutional Shareholder Services (ISS) announced similar guidelines on board gender diversity that will become effective for shareholder meetings of Russell 3000 or S&P 1500 companies held on or after February 1, 2020¹⁶. Under these guidelines, ISS will generally recommend voting against or withholding a vote from the Chair of the nominating committee (or other directors on a case-by-case basis) of companies lacking female board representation, unless certain mitigating factors are present. ISS has also announced that it will include a “Board Diversity” subcategory as a component of its QualityScore to examine board gender diversity (including the number of women serving in board leadership positions, number of female executive officers, director age and director tenure).

“

If we are serious about the representation of men and women in key decision-making and leadership roles, we need a cultural transformation with a clear set of measurable objectives to address the challenges not only at the top, but throughout the pipeline of our organisations.

Progressing a solution to the gender imbalance at the top of organisations is a multi-faceted issue requiring a combination of proactive leadership, innovative policies and practices, complemented by targets and objectives specific to the organisation and its industry. What is needed is a business response to what is, in essence, a business problem.

Dr Kara McGann

Senior Labour Market Policy Executive, Ibec

11. National Women’s Council of Ireland (2016) Better Boards, Better Business, Better Society

12. Davies Review, Women on Boards, Feb 2011, p.9

13. State Street Global Advisors (2018)

14. Bloomberg (2018)

15. Glass Lewis & Co (2019)

16. Institutional Shareholder Services (2018)

Balance Rather Than Tokenism

An important issue for boards wishing to secure the business benefits of greater gender balance concerns the challenge of avoiding tokenism and in ensuring that there is real balance and, as a minimum, more than one female director.¹⁷

In a recent McKinsey report on women in the workplace, the disadvantages of being the 'only one' was examined. The research indicated that 51% of respondents who were the 'only woman' on their board indicated that they needed to provide more evidence of their competence than others do, compared to 20% among 'only men', while 49% of those who were the 'only woman' reported having their judgment questioned in their area of expertise, compared to 30% among men in similar positions. These and similar disadvantages of only having one female director means that these women often feel particularly scrutinised and feel they have to perform to higher standards. Having only one female director can also limit the potential positive impact on overall board culture and outcomes.

These research findings are also aligned with the early seminal research undertaken by Rosabeth Moss Kanter¹⁸, which identified how women's experiences at work were influenced by the proportions in which they found themselves. It is generally accepted that 30% representation is the minimum point at which members of a group cease to be seen and heard as representing that group and become fully accepted as individuals with their own views and perspectives.

In 2008, Konrad, Kramer and Erku¹⁹ carried out interviews with 50 women on their experiences of being the only woman on the board of a Fortune 1000 company. Their findings, summarized in Table 2, show that outcomes improved as the number of women on the board reached critical mass.

Table 2: **Presence of Women on Corporate Boards
'What Difference do Numbers Make?'**

One Woman	Two Women	Three or More Women
Possible impact but real risks of tokenism	Situation often improves but tokenism can still exist	Critical mass
<ul style="list-style-type: none">✓ Hypervisibility: being in the spotlight✓ Invisibility: being ignored, dismissed, not taken seriously, or otherwise excluded✓ Being stereotyped and also viewed as representing all women: not seen as individuals✓ Needing to work very hard to be heard, included and have an impact	<ul style="list-style-type: none">✓ Increased feeling of inclusion and comfort✓ Validation, reinforcement, and having a strategy partner✓ Decrease in stereotyping✓ Larger impact on boardBut:✓ Women may still be stereotyped✓ Women still having to work to be heard✓ Women keeping their distance from each other- concerned about being seen as conspirators	<ul style="list-style-type: none">✓ Normalisation- gender is no longer a barrier to acceptance and communication✓ Women are more comfortable being themselves and associating with one another✓ More supportive atmosphere✓ Women not seen as representing all women✓ Women freer to raise issues, be more active✓ Women more likely to be heard✓ Noticeable impact on content and dynamics in the boardroom; increased collaboration and inclusiveness

Source: Konrad, Kramer and Erku (2008)

17. McKinsey, The Uneven Playing Field (2018)

18. Kanter (1977)

19. Konrad et al (2008)

Current Situation on Listed Company Boards



There are currently 408 directorships within the 51 public limited companies (PLCs) trading on the Euronext Dublin markets. Of these, 67 are female directors, representing 16.4% of all board positions.

Companies on the ISEQ 20, which comprises the 20 companies with the highest trading volume and market capitalisation, show somewhat greater gender balance with 20.9% female directors, perhaps reflecting a greater understanding of the commercial and governance advantages. The number and percentage of female directors on each individual board is included in Annex 3 to this report.

The analysis also clearly shows a significant issue relating to the lack of Executive Directors. Only 8.8% of Executive Director positions are held by women.

Table 3: **Female Directors**

	ISEQ 20		Other Listed Companies		All Companies	
	No.	%	No.	%	No.	%
Female directors overall	42	20.9	25	12.1	67	16.4
Female Executive Directors	4	8.3	6	9.2	10	8.8
Female Non-Executive Directors	38	24.8	19	13.4	57	19.3

Of further note is that all boards of the leading ISEQ 20 companies now have at least one female director. However, this is not mirrored in the other listed companies where almost half have no female directors.

Table 4: **Companies with no Female Directors**

	ISEQ 20		Other Listed Companies		All Companies	
	No.	%	No.	%	No.	%
Companies with All-Male Boards	0	0.0	15	48.4	15	29.4

Improvements since 2018

The Balance for Better Business Review Group have highlighted the strong business case for gender balance since our launch in 2018. It is important therefore to examine any progress achieved in the gender balance of boards since then. The evidence shows improvements in a number of key metrics, but also demonstrates the need for consistent and significant further progress. The graphic below shows the gender balance on the boards of listed companies as at 1 March 2019 compared to the position a year earlier. The figures indicate an increase in the overall percentage of female directors from 13.9% last year to 16.4% this year.

Change in Gender Balance 2018 - 2019



Also of significance is that there are no longer any all-male boards on the ISEQ 20 compared to 10% last year. Both Hibernia Reit Plc and Cairn Homes Plc appointed their first female directors in the last 12 months. Overall, the percentage of all-male boards has dropped from 37.5% to 29.4%. While this is an improvement it is still unacceptably high.



Achieving Critical Mass

As outlined elsewhere in this report, we believe that the full benefits of gender balance will be achieved only when genuine balance is achieved. While for large numbers this should broadly reflect the 50/50 gender split of the population, we recognise that for small groups such as boards and leadership teams, a practical aim is to have a minimum of 40% from either gender.

However, the vast majority of Irish listed companies are still a long way from achieving critical mass. Currently, just under 20% of companies have 3 or more women on their board. 35% have 2 or more women; this increases to 60% for ISEQ 20 companies. This distribution does not show any significant sectoral variations.

Table 5: From Zero Towards Critical Mass

Number of Female Directors	ISEQ 20		Other Listed Companies		All Companies	
	No.	%	No.	%	No.	%
0	0	0	15	48.4	15	29.4
1	8	40	10	32.3	18	35.3
2	5	25	3	9.7	8	15.7
3+	7	35	3	9.7	10	19.6
Total	20	100%	31	100%	51	100%

We are pleased to note that seven companies already meet the 33% target set out in this report. We strongly encourage these companies to continue to aim for an overall balance of a minimum of 40% from either gender, and we encourage companies not meeting the target to learn from these exemplars. Table 6 lists the companies which currently have the best gender balance.

Table 6: Companies With More Than 25% Female Directors

		% Female Directors
1	CRH Plc	38.5%
2	CPL Resources Plc	37.5%
3	First Derivatives Plc	33.3%
=	Greencoat Renewables Plc	33.3%
=	IFG Group Plc	33.3%
=	Independent News & Media Plc	33.3%
=	Ryanair Holdings Plc	33.3%
8	FBD Holdings Plc	30.0%
9	Irish Residential Properties REIT Plc	28.6%
10	AIB Group Plc	27.3%
=	Bank of Ireland Group Plc	27.3%
12	Kerry Group Plc	25.0%
=	Origin Enterprises Plc	25.0%

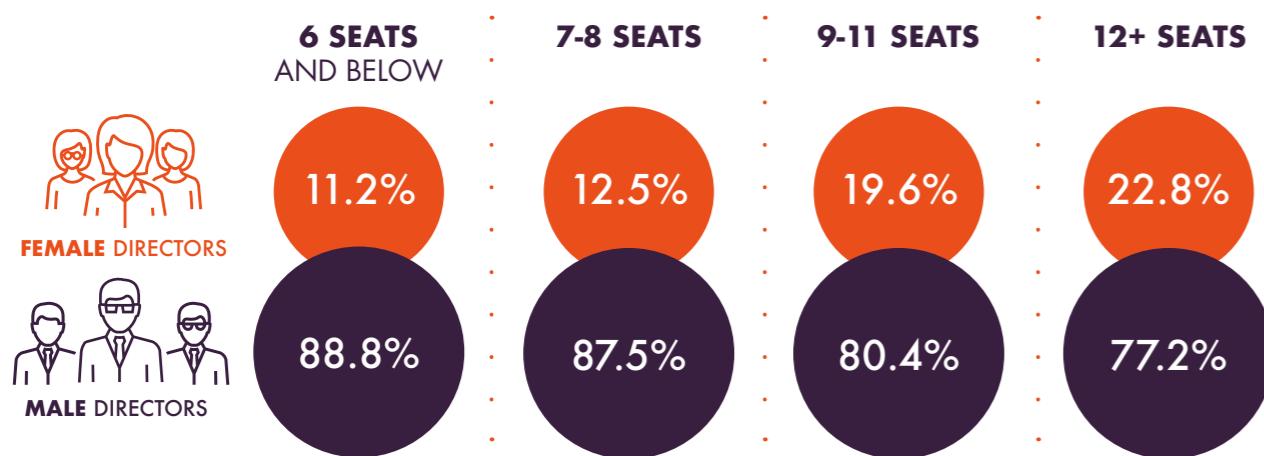
At the other end of the scale, the following companies have no female directors (Table 7).

Table 7: Companies With No Female Directors

	Number of Men	Number of Men	
Amryt Pharma Plc	6	Malin Corporation Plc	4
Applegreen Plc	7	Mincon Group Plc	6
Datalex Plc	7	Ormonde Mining Plc	3
Donegal Investment Group Plc	9	Ovaca Bio Plc	8
Falcon Oil & Gas Ltd	5	Petroneft Resources Plc	6
GAN Plc	6	Providence Resources Plc	7
Great Western Mining Corp Plc	4	Venn Life Sciences Holdings Plc	5
Mainstay Medical International Plc	8		

It is also instructive to examine how female participation varies with board size. The analysis indicates that as the size of the board increases above eight members, the share of females among board directors increases from around 12% to over 20%. This may suggest the potential for companies to enhance gender balance by increasing the number of directors, rather than waiting until existing board tenures expire. This could be a short term solution until natural turnover takes place.

Percentage of Female Directors by Number of Seats on the Board

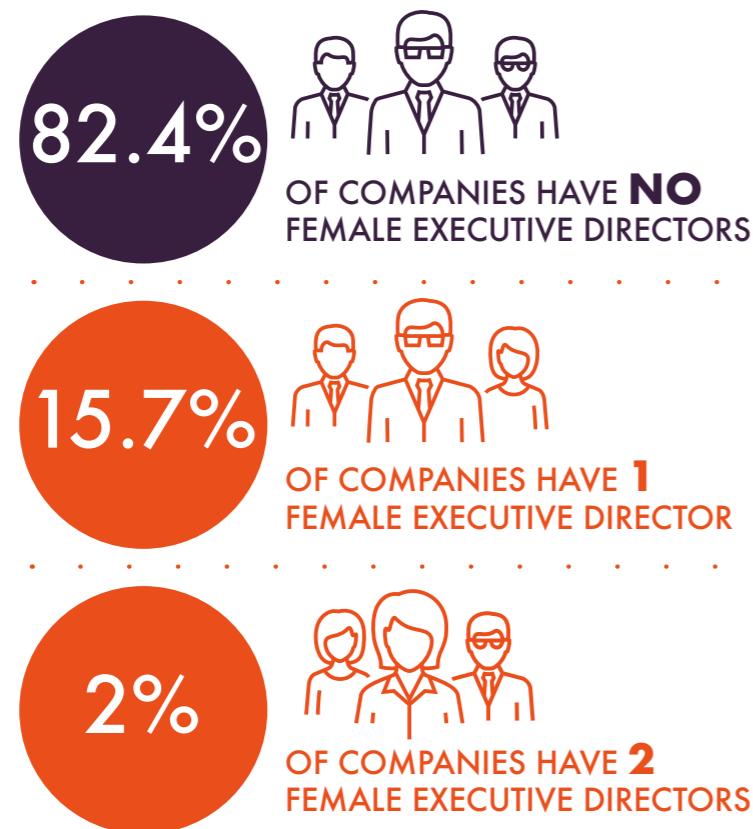


Executive Directors

The share of female Executive Directors is much lower (8.8%) than the share of female Non-Executive Directors (19.3%). There are currently six female CEOs of companies listed on the Euronext Dublin markets and three CFOs. This lack of balance in executive leadership reflects an underlying imbalance in senior management which has been identified in a number of recent reports^{20, 21}. We will extend our analysis and focus to these levels in future reports.

The majority of companies (82%) do not have any female Executive Directors on their boards.

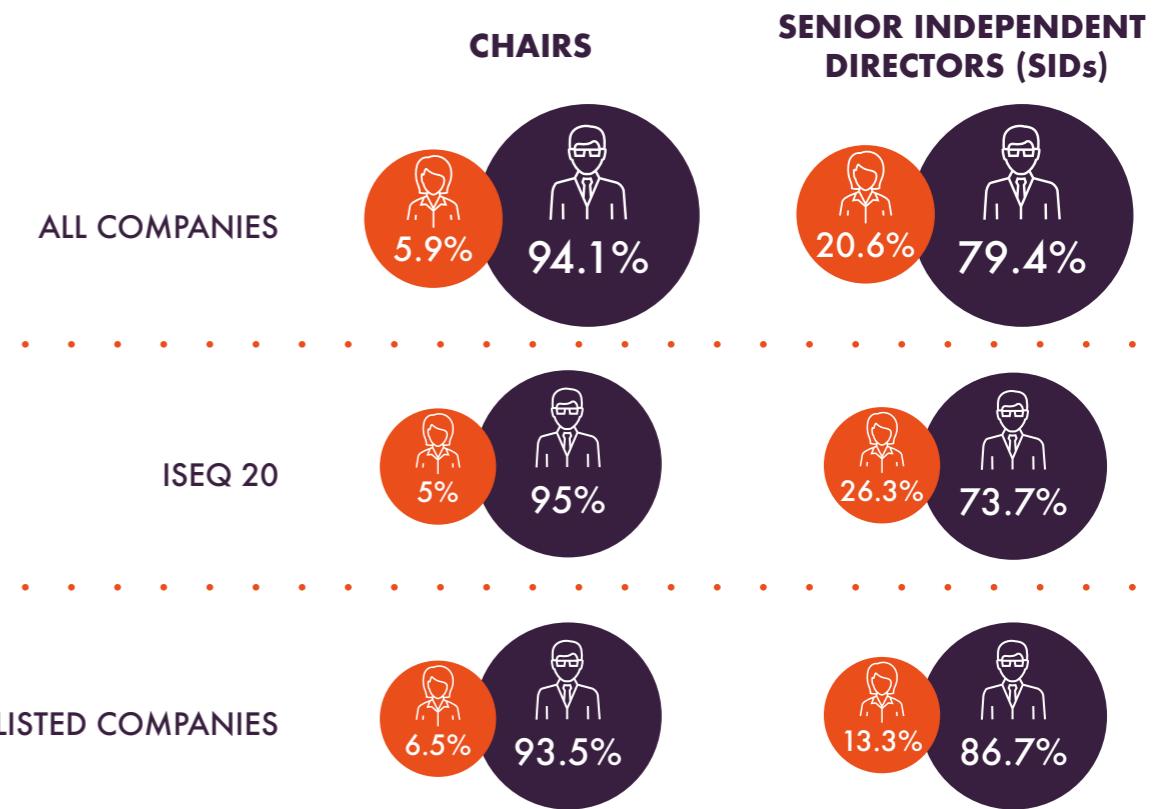
Number of Female Executive Directors



Leadership Roles on Boards

An analysis of the leadership roles among Non-Executive Directors is shown below. Less than 6% of Chairs are female. The share of female Senior Independent Directors is close to 21%, which more closely aligns with the percentage of female directors overall. The Hampton-Alexander Review includes extensive analysis of board data in the UK and provides a useful basis for comparison on a number of metrics. In the case of Chairs and Senior Independent Directors in the FTSE 350, the figures are very similar to those for Irish listed companies (6.3% female Chairs and 20.3% female Senior Independent Directors in the FTSE 350 in 2018).

Leadership Roles on Boards



*Note that 19 out of 20 ISEQ companies have a SID. Similarly, only 15 out of 31 Other Listed Companies have a SID.

“

Adding one more woman in a firm's senior management or corporate board—while keeping the size of the board unchanged—is associated with an 8–13 basis point higher return on assets. If banks and financial supervisors increased the share of women in senior positions, the banking sector would be more stable too.

The IMF's 189 member countries face many different challenges, but empowering women remains a common denominator and a global imperative for all those who care about fairness and diversity, but also productivity and growth of societies and economies that are more inclusive. If we can achieve this, we all gain.

Christine Lagarde

Managing Director, IMF

(A Global Imperative, Finance & Development, March 2019)

New Appointments

In identifying the extent of change, and also the potential for improving gender balance within a given time period, we considered new appointments to company boards. There has been a significant increase in the number of new female directorships over the last year. As indicated below, 21 new female directors have been appointed between February 2018 and March 2019. Encouragingly, this represents 30% of all new board appointments in the listed companies. ISEQ 20 companies performed even better with 37.9% of newly appointed directors being female, which may show that the largest companies are actively endeavouring to address their gender balance. We believe that companies should aim to exceed this percentage in order to accelerate progress, ideally increasing the rate to at least 50% of new appointments.

New Appointments by Gender

ALL COMPANIES



ISEQ 20



OTHER LISTED COMPANIES



Note: New appointments between February 2018 and 1 March 2019.

Average Tenure of Board Members

An analysis of the length of tenure is an indicator of possible future vacancies which is of importance for achieving gender targets. Table 8 shows that there is currently a significant difference between the length of tenure for male and female board members. This may reflect the fact that many companies have only recently responded to the business case for gender balance.

Table 8: Tenure and Turnover

Average tenure in years:	ISEQ 20	Other Listed Companies	All Companies
Male	5.1	5.8	5.4
Female	3.6	2.4	3.1
Overall	4.8	5.3	5.0
Turnover rate	14.4%	19.8%	17.2%

Turnover rate is the ratio of new appointments to total directors.

It is also instructive to look at the average age of board members. On average, female directors are several years younger than their male counterparts. Again, this may reflect the fact that the female appointments are more recent.

Table 9: Average Age of Board Members

	All Directors	Executive Directors	Non-Executive Chairs	Senior Independent Directors	Non-Executive Directors
Male	58.1	52.8	65.9	63.6	60.5
Female	53.6	49.3	60.3	59.4	54.1
All board Members	57.4	52.5	65.5	62.7	59.1

Directors on More than One Board

For companies listed on the Euronext Dublin markets, the majority of directors sit on the board of only one listed company. Interestingly, the data shows that a higher percentage of female directors (13.6%) serve on the board of more than one publicly listed company than males (4%).

Table 10: Directors by Number of Directorships Held in Publicly Listed Companies

Number of Directorships	Male		Female		Total	
	No.	% of total	No.	% of total	No.	% of total
1	313	96.0	51	86.4	364	94.5
> 1	13	4.0	8	13.6	21	5.5

Note: This refers to companies listed on the Euronext Dublin markets only. Directors may be on other boards but this is not included in this analysis.

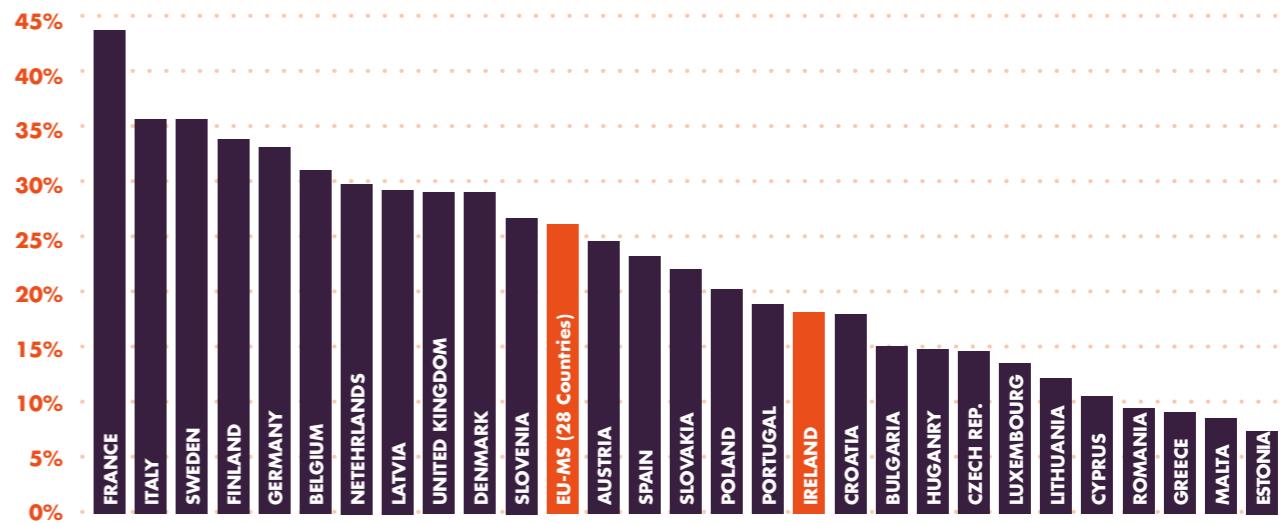
International Landscape

9

In most developed countries, initiatives have been taken to enhance board gender balance in the light of evidence on the business case for greater diversity. From an Irish business perspective, it is particularly instructive to review the experience of other European countries.

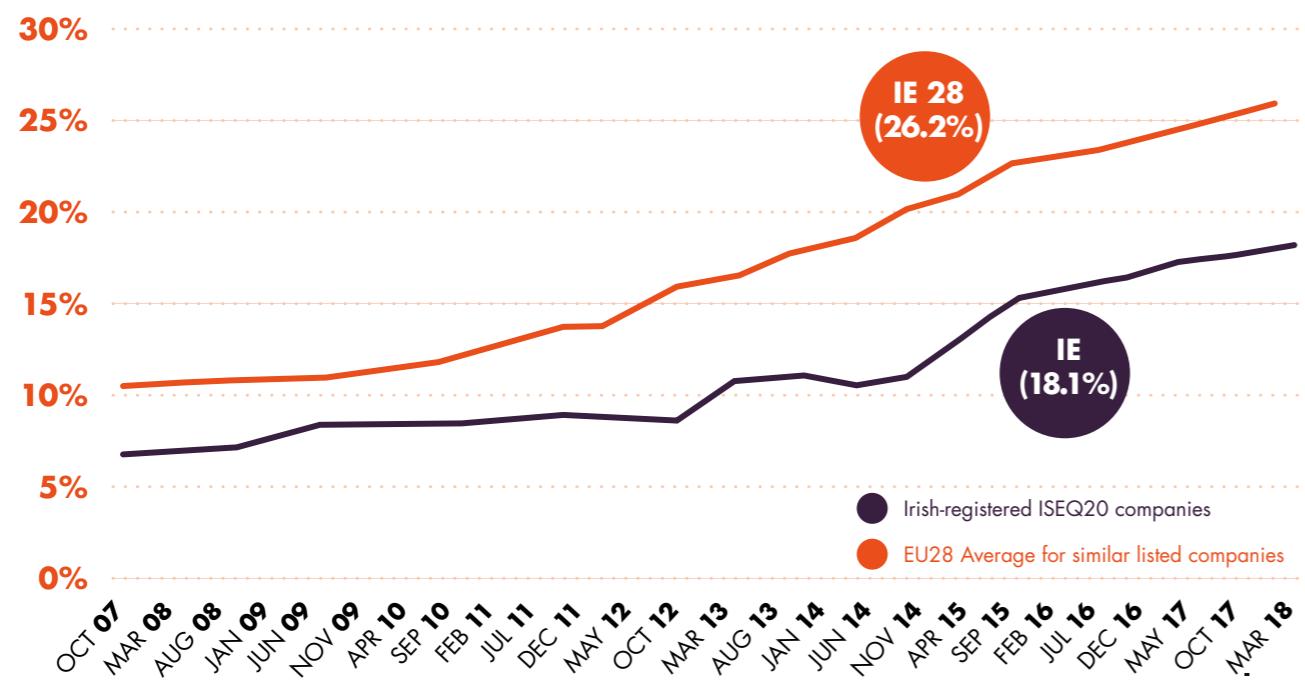
This shows that progress can be made, as indicated by the success of EU countries such as France, Italy, Sweden, Germany and the UK. Success is also evident in countries outside of the EU, such as Norway which has greater gender balance. 2018 data on the representation of women on the boards of the largest publicly-listed companies in the EU-28 is presented in Figure 1 (for Ireland this is based on ISEQ 20 companies). The average participation rate of women on company boards across the EU was 26.2% in 2018; Ireland was 17th out of the 28 countries.

Figure 1: **Women on Company Boards for Largest Companies in the EU (2018)**



Source: EIGE Gender Statistics Database. The graph shows only 28 EU-MS and does not contain Norway. The "largest" companies are taken to be the members (max. 50) of the primary blue-chip index, which is an index maintained by the stock exchange and covers the largest companies by market capitalisation and/or market trades. Only companies which are registered in the country concerned are counted

Figure 2: Female Representation on the Boards of the Largest Publicly Listed Companies 2007-2018



Source: European Institute for Gender Equality (EIGE), Gender Statistics Database – Women and Men in Decision-making, “Largest listed companies: presidents, board members and employee representatives”.

The EU statistics show that the representation of women directors on the boards of Irish-registered companies on the ISEQ20 index increased by 11.4 percentage points between 2007 and 2018.

However, this improvement has not kept pace with that across the EU. The average female representation on the boards of the largest publicly-listed companies in the EU28 increased by 15.8 percentage points. The gap between the EU28 and the ISEQ20 has more than doubled, from 3.7 percentage points in 2007 to 8.1 percentage points in 2018.

European Union

In 2012, in an effort to address the considerable imbalance between women and men in economic decision-making at the highest level, the European Commission submitted a proposal for a directive on improving the gender balance among non-executive directors of companies listed on stock exchanges. The proposal aimed to achieve a minimum of 40% of non-executive members of the under-represented sex on company boards by 2020 in the private sector, and by 2018 in public-sector companies. The European Parliament adopted its position on the proposal in 2013. Since then, despite broad consensus for action, there has been a blocking minority in the Council. Nevertheless, it has remained a priority issue under successive EU presidencies.

The following sections present initiatives undertaken in selected countries to enhance gender balance on boards.

France

In 2011, France introduced 40% gender quotas for supervisory boards of listed companies, as well as companies with more than 500 employees and/or with a turnover of more than €50 million. Sanctions provide that any executive board member appointment which does not meet the gender quota requirements can be automatically voided. When introduced in 2011, women accounted for 21.6% of board members. As of 2018, they accounted for 44%.²² However, there does not appear to have been a similar corresponding increase in women being appointed to top executive positions.

Germany

In 2015, Germany introduced 30% gender quotas for the supervisory boards of listed and fully co-determined companies. Sanctions for not complying with the requirements provide for a board seat being deemed vacant. When introduced in 2015, women accounted for 25.4% of board members. As of 2018, they accounted for 33.8%.²³ However, as with Norway and France, this has not yet translated into significant changes in the number of women at senior executive level.²⁴

United Kingdom

In 2010, the UK Government appointed Lord Mervyn Davies to undertake a review of gender equality on the boards of listed companies. The resulting Women on Boards report and recommendations formed a blueprint for voluntary, business-led change, which focused on setting targets for the largest company boards, recommending revised reporting requirements and codes of conduct, and monitoring of progress under the direction of a steering committee. This initiative has shown considerable success in delivering substantive advances and changes in the business culture within a short timeframe. It has seen the representation of women on FTSE 100 boards increase from 12.2% in 2009 to 30.2% by October 2018. The Hampton-Alexander Review, which succeeded the Davies Review in 2015, has extended the focus to FTSE 350 companies and the two levels of leadership below the board. The target is now 33% women on boards and in leadership teams of FTSE 350 companies by 2020.

Norway

Norway was the first country in the world to introduce gender quotas for company boards. A 40% quota for supervisory boards of State-owned and listed companies was legislated for in 2006. By 2008, the 40% quota had been reached, having increased from 15.9% in 2004. Since 2015 sanctions for non-compliance have also been implemented, ranging from financial penalties to company dissolution. Despite the achievement of their quotas for boards, there has been little change in the share of women at top management level in the same listed companies.²⁵

Conclusion

Experience from other countries suggests that there are various steps which can be taken to increase the number and proportion of women on corporate boards. Initiatives which are likely to have an impact include highlighting the success of companies in achieving better gender balance, dissemination of evidence on the business case for diversity, increased transparency in board and senior appointments, leadership of government and the business community, and the setting of targets and monitoring of performance. On the issue of voluntary targets, a recent Cranfield²⁶ report by Vinnicombe et al identifies supporting actions that strengthen voluntary target-setting, including:

- ✓ Agreement on a voluntary recruitment/search code, in which the leading firms agree to a set of principles which help in appointing more women directors.
- ✓ Adherence to a Corporate Governance Code requiring that every listed company publish its diversity policy and the number of women on its board.
- ✓ Regular communication from government requiring companies to disclose the number of women at different levels and reminding companies of the need to move board composition in favour of women.
- ✓ Completion of regular research reports.

Members of the Advisory Group

ANNEX

Simon Boucher, CEO, Irish Management Institute

Professor Niamh Brennan, UCD Quinn School of Business

Shirley Comerford, CEO, Public Appointments Service

Sheamus Considine, former Managing Partner, Amrop

John Corrigan, Chair, Irish Association of Investment Managers

Margaret Cullen, CEO, Certified Investment Fund Director Institute

Dermot Divilly, Chair, An Post

Colin Hunt, CEO, AIB

Rose Hynes, Chair, Origin Enterprises

Liz Joyce, HR Director, Central Bank

Caroline Keeling, CEO, Keelings

Patricia King, General Secretary, Irish Congress of Trade Unions

Gary McGann, Chair, Aryzta AG

Kara Mc Gann, Senior Labour Market Policy Executive, Ibec

John McGrane, Director General, British Irish Chamber of Commerce

Barry O'Connor, Partner Emeritus, MERC Partners

Orla O'Connor, Director, National Women's Council of Ireland

Anne O'Leary, CEO, Vodafone Ireland

Tom Parlon, Director General, Construction Industry Federation

Maura Quinn, Chief Executive, Institute of Directors Ireland

Mark Redmond, Chief Executive, American Chamber of Commerce

Deirdre Somers, former CEO, Irish Stock Exchange

Ian Talbot, Chief Executive, Chambers Ireland

Data Source and Definitions

ANNEX

2

Data source

The information on the listed companies has been sourced from BoardEx, a third-party online platform that collates and updates daily publicly available information on company boards and directors. The position in relation to company boards is constantly evolving. For the purposes of this report the analysis was undertaken based on board composition as at 1 March 2019. All new appointments refer to directors appointed between February 2018 and 1 March 2019. Comparisons with 2018 refer to February 2018 to 1 March 2019.

Data definitions

Listed companies

The data includes all listed companies who were trading on the Euronext Dublin markets as of 1 March 2019 even if they were registered outside of Ireland. These exclude Tesco and Diageo as neither trade on the Irish exchange. WisdomTree Investments has also been excluded on the basis that it is a UCITS ETT fund and quite different from the other companies listed.

New appointments

New board appointments refer to appointment of individuals to the board who were not members of the board immediately prior to their appointment. Four companies have been added to the Euronext Dublin markets since February 2018. The directors from these companies are not classified as new appointments unless they are new appointments to that board. For example, Yew Grove Reit PLC was only formed in June 2018 so all of their directors are new appointees. Other newly listed companies have a mix of new appointments and directors who were with the company before being listed.

Companies Included in Analysis

ANNEX

3

ISEQ 20	Sector	Market Capitalisation €m	% Female Directors	No. Female Directors
Abbey Plc	Real Estate	294	12.5%	1
AIB Group Plc	Banks	10,803	27.3%	3
Aminex Plc	Oil & Gas	66	14.3%	1
Amryt Pharma Plc	Pharmaceuticals & Biotech	58	0%	0
Applegreen Plc	General Retailers	743	0%	0
Aryzta AG	Food Producers & Processors	968	10.0%	1
Bank Of Ireland Group Plc	Banks	5,540	27.3%	3
C&C Group Plc	Beverages	1,010	23.1%	3
Cairn Homes Plc	Construction & Building Materials	1,018	11.1%	1
CPL Resources Plc	Business Services	167	37.5%	3
CRH Plc	Construction & Building Materials	20,854	38.5%	5
Dalata Hotel Group Plc	Leisure & Hotels	1,067	14.3%	1
Datalex Plc	Software & Computer Services	77	0%	0
Donegal Investment Group Plc	Food Producers & Processors	36	0%	0
Draper Esprit Plc	Private Equity	609	20.0%	1
Falcon Oil & Gas Ltd	Oil & Gas	196	0%	0
FBD Holdings Plc	Insurance	281	30.0%	3
First Derivatives Plc	Software & Computer Services	704	33.3%	2
GAN Plc	Software & Computer Services	49	0%	0
Glanbia Plc	Food Producers & Processors	4,855	5.9%	1
Glenveagh Properties Plc	Construction & Building Materials	714	14.3%	1
Great Western Mining Corp Plc	Mining	3	0%	0
Green REIT Plc	Real Estate	1,000	16.7%	1

	ISEQ 20	Sector	Market Capitalisation €m	% Female Directors	No. Female Directors
Greencoat Renewables Plc		Renewable Energy	409	33.3%	1
Hibernia REIT Plc	✓	Real Estate	912	12.5%	1
Hostelworld Group Plc		Leisure & Hotels	231	16.7%	1
IFG Group Plc		Speciality & Other Finance	165	33.3%	2
Independent News & Media Plc		Media & Entertainment	89	33.3%	3
Irish Continental Group Plc	✓	Transport	913	16.7%	1
Irish Residential Properties REIT Plc	✓	Real Estate	654	28.6%	2
Kenmare Resources Plc		Mining	247	11.1%	1
Kerry Group Plc	✓	Food Producers & Processors	16,026	25.0%	3
Kingspan Group Plc	✓	Construction & Building Materials	6,635	16.7%	2
Mainstay Medical International Plc		Health	38	0%	0
Malin Corporation Plc		Health	250	0%	0
Mincon Group Plc		Engineering & Machinery	263	0%	0
Origin Enterprises Plc	✓	Food Producers & Processors	702	25.0%	2
Ormonde Mining Plc		Mining	23	0%	0
Ovoca Bio Plc		Mining/Pharmaceuticals & Biotech	9	0%	0
Paddy Power Betfair Plc	✓	Leisure & Hotels	5,707	22.2%	2
Permanent TSB Group Holdings Plc		Banks	744	20.0%	2
Petroneft Resources Plc		Oil & Gas	13	0%	0
Providence Resources Plc		Oil & Gas	98	0%	0
Ryanair Holdings Plc	✓	Leisure & Hotels	12,921	33.3%	4
Scisys Group Plc		Software & Computer Services	63	12.5%	1
Smurfit Kappa Group Plc	✓	Containers & Packaging	5,973	23.1%	3

	ISEQ 20	Sector	Market Capitalisation €m	% Female Directors	No. Female Directors
Total Produce Plc	✓	Food Producers & Processors	667	20.0%	2
Tullow Oil Plc		Oil & Gas	3,205	12.5%	1
Venn Life Sciences Holdings Plc		Pharmaceuticals and Biotech	1	0%	0
VR Education Holdings Plc		Software & Computer Services	22	16.7%	1
Yew Grove REIT Plc		Real Estate	78	14.3%	1

Reference Material

ANNEX

4

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