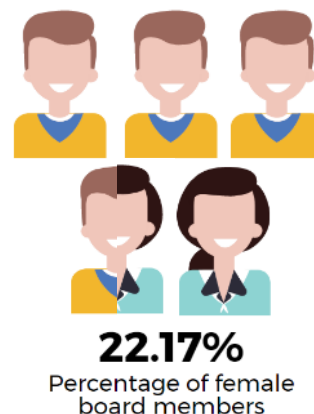


New Zealand Census of Women on Boards 2017.

Professor Judy McGregor and Stevie Davis-Tana

Sex and power report card.

The proportion of New Zealand women on the boards of the top 100 companies listed on the New Zealand Stock Exchange has finally climbed above 20%. The New Zealand Census of Women on Boards shows that 22.17% of board positions were female in 2017 according to company websites and 2016 annual reports. This is a rise of 1.16 percentage points figure since 2016 when 20.1% of board positions were female using annual report data. In 2017, of the total number of 618 board members of the top 100 companies, 137 directorships were held by women. A new sex and power report card produced by AUT researchers with Women on Boards, a division of Governance NZ, shows a 7.42 percentage point increase since 2012.



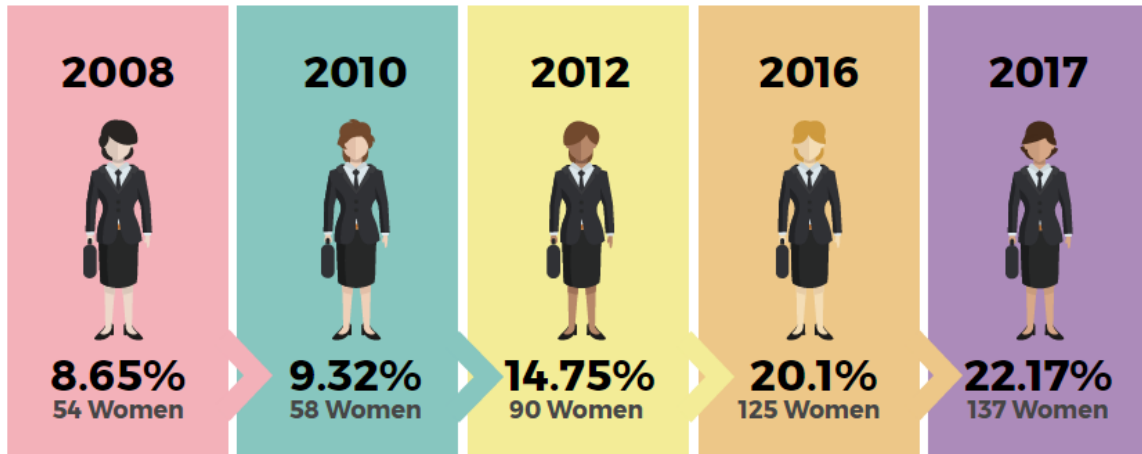
The overall results show that the number of women in corporate governance is an issue that will not go away in terms of the number of women on boards of directors, the time it is taking to achieve gender equality, and in relation to the overall commitment to board gender diversity by New Zealand's top publicly listed companies.

While female directors have increased over time, the number of female board chairs of top 100 companies by market capitalisation according to 2016 annual reports has remained the same over the past five years at seven, and the number of female Chief Executive Officers has not moved beyond three.

The good news

The number of companies with at least one woman on the board increased from 55 to 75 during the period from 2012 to 2017. Those with one woman on the board increased from 29 to 32 over the five year period. The number of companies with two women on the board increased from 17 to 27, and the number of companies with three women or more increased from nine to 13. There are also now three companies (Tourism Holdings, AMP and Genesis Energy) that have four women on their boards.

Currently six of the top 100 companies have a gender equal board (50% female or more): Contact Energy Limited, Kiwi Property Limited, Summerset Group Holdings Limited, Tourism Holdings Limited, Steel & Tube Holdings Limited, and Kingfish Limited. Sixteen of the top 100 companies have 40% or more female board, 32 companies have 30% or more, and 47 companies have 25% or more. Genesis has women as chair and deputy chair at governance level. Critical mass theory is commonly used in women and corporate governance literature. The theory suggests that in order to enhance the likelihood of women's voices being heard in the boardroom there should be at least three women appointed to the board of directors.



Rising stars

It is important to recognise companies that have improved the gender diversity of their boards in the past five years. The following companies had no women on their boards in 2012, but now have at least one female director. These companies have made efforts to increase female representation. A special note should be made of Tourism Holdings Limited which now has four female directors, making its boardroom 66.6% women.



- Fisher & Paykel Healthcare Corporation Limited (1 woman)
- Port of Tauranga Limited (NS) (1)
- Xero Limited (3)
- Mainfreight Limited (2)
- Sky Network Television Limited (2)
- The a2 Milk Company Limited (1)
- Infratil Limited (1)
- Trustpower Limited (1)
- Metlifecare Limited (2)
- Heartland Bank Limited (2)
- Property for Industry Limited (1)
- Tourism Holdings Limited (4)
- Green Cross Health Limited (1)¹
- Hellaby Holdings Limited (1)
- Comvita Limited (2)
- New Zealand Oil and Gas Limited (1)
- South Port New Zealand Limited (NS) (1)
- NPT Limited (1)

One company that has acknowledged the contribution that women make by recently appointing two females to their historically all male board is Mainfreight. Since reporting began in 2007, Mainfreight had no women on their board of directors until 2017. In its 2016 annual report, the company acknowledged it was previously able to achieve greater gender balance in its other international

¹ previously known as Pharmacy Brands Ltd

locations. Two women now sit on its board of directors, which is a better reflection of their workforce, where women make up one third of the company's team members. Other companies who have also struggled for years to get women on their boards and now have female representation are the port companies (South Port and Port of Tauranga), Hellaby Holdings and NPT.

The bad news

However, a quarter of the top 100 companies still have no women on their boards despite decades of political, business and public concern about women's representation. It is surprising in 2017 that Tegel, where women make up 45% of the workforce and strongly influence buying patterns as consumers, has no boardroom gender diversity. Two other companies without women have also recently appointed an additional two male directors to their boards. In its annual report Orion stated that "The Board is satisfied with the initiatives being implemented" and that it is "actively seeking to introduce at least one female Board member". Between 2016 and 2017 the company appointed an additional two male directors to the board.

The 25 companies without female representation are:



- Airwork Holdings Limited
- Argosy Property Limited
- CBL Corporation Limited
- CDL Investments New Zealand
- The Colonial Motor Company Limited
- Gentrack Group Limited
- Global Bond Trust (SmartShares)
- Metro Performance Glass Limited
- Millennium & Copthorne Hotels New Zealand
- New Zealand Bond Trust (SmartShares)
- New Zealand Cash Trust (SmartShares)
- New Zealand King Salmon Investments Limited
- NZ Top 50 Fund (SmartShares)
- Orion Health Group Limited
- Pacific Edge Limited
- PGG Wrightson Limited
- Pushpay Holdings Limited
- Rubicon Limited
- Scales Corporation Limited
- Scott Technology Limited
- Tegel Group Holdings Limited
- The Europe Trust (SmartShares)
- The US 500 Trust (SmartShares)
- Tower Limited
- Turners Limited

Women in governance

Of the top ten companies in the NZX top 100, 31.08% of board directors were female and all companies had at least one female on the board. Of the top 20 companies 32.62% of board directors were female, all had at least one female on the board, and 15 had diversity policies. Additionally, the top 30 companies also have at least one female on the board. Of the top 20 companies all had male CEOs. In comparison, amongst the bottom 10 companies in the NZX 100, 20.75% of board directors were female. Similarly with the bottom 20 companies, women held only 17.7% of directorships, almost half the rate of the top 20 companies.

There are currently 102 (10 more than in 2016) women serving in 137 board positions for the top 100 companies. The most board positions held by female directors is four: Carol Campbell, Susan Peterson, and Susan Paterson. This is followed by five women who sit on three boards each: Anne Urlwin, Elizabeth Coutts, Grainne Troute, Joanna Perry, and Vanessa Stoddart. This is followed by 16 women who each sit on two boards, and 78 women who sit on one board each.

The analysis showed a large number of overseas women currently appointed as directors (at least 20% of the 137 female board positions), with a majority from Australia. This may be influenced/affected by the number of companies in the NZX top 100 listing that are Australian or Australian based (e.g. ANZ, AMP, Westpac).

We also identified very few Māori (Susan Huria is the exception) or Pacific women among the women on top 100 company boards. We acknowledge that other women may identify as Māori or Pacific. Their invisibility and scarcity highlights the need for greater ethnic reporting amongst board directors in addition to gender reporting, as well as more proactive board recruitment strategies.



Where to from here?

New Zealand has picked up the pace towards gender equality in corporate governance. But it lags behind similar countries and continues to follow rather than lead other jurisdictions in active measures to improve women's representation. It continues to set "low bar" targets for women's progress in the corporate sector, or, in fact, no targets at all. Between 2016 and 2017 there was a 2.16 percent point increase, suggesting slightly faster progress than in the previous decade. But at the current rate of progress it will take another 13 years (2030) to close the gender gap in governance of the top 100 companies at a time of women's increasing labour force participation and buying power. New Zealand has a clear choice between limping along with unambitious aspirations for gender equality in corporate governance or more active interventions such as government-mandated



quotas or organised consumer/ shareholder activism. It is clear that corporate governance codes such as gender diversity reporting has not provided sufficient step change towards gender equality.

Diversity reporting and policies

The research examines the gender diversity rule introduced by NZX in 2013 and confirms earlier research that it is of limited effect in quickening the pace of greater female representation in boardrooms. NZX companies have to provide a breakdown of the gender composition of the boards of Directors and Officers. For example, at least nine of the companies with no women on their boards said they had diversity policies, and saw no apparent irony in the difference between rhetoric and reality.

A clear limitation of the NZX gender diversity reporting regime is that only if a company has a formal diversity policy does it have to evaluate its performance with respect to it. Variability and the absence of accountability undermine New Zealand's corporate diversity reporting regime.

Among those who have adopted diversity policies there are examples of both good international practice and of disappointing pro forma compliance.

Good practice examples include:

- Summerset has adopted a gender diversity policy specifically for the board, rather than a general policy for the entire company. The diversity policy breaks down into basic principles including board composition, recruitment, and measurement. It is an example of excellent governance practice and demonstrates leadership of, and accountability for, diversity.
- The Warehouse Group Limited has taken a strong stance in enforcing diversity amongst its employees. In the company's diversity policy it states that "anyone who acts in a discriminatory manner may place their employment within TWG in jeopardy". The Warehouse Group have also established a Diversity Working Party which has evolved the company's objectives to also include a focus on gender, ethnicity, age, disability, and the LGBTI+ community.
- In Telstra's 2016 annual report it lists the company's measures and objectives in achieving gender diversity such as women on the board, female representation in graduate intake, promotion rates for women, engagement of identified (female, indigenous, disabled, LGBTI) groups, and overall female representation. Telstra also includes a breakdown of the initiatives it is taking to enhance diversity and inclusion, such as flexible working, inclusive leadership, family and domestic violence support, employment pathways, ageing workforce, LGBTI inclusion, and outlines its stance on marriage equality.
- Sanford Limited includes the United Nations Sustainable Development Goals (SDGs) as a major part of its 2016 annual report. The report demonstrated how Sanford is contributing towards achieving the SDGs, by identifying the eight goals to which it contributes the most and aligning them with the company's six performance outcomes of its Business Excellence



Framework. However, while Sanford has chosen to undertake eight of the SDGs, it has not yet adopted Goal 5 – Gender Equality, or Goal 10 – Reduced Inequalities.

However, there has been little improvement in the number of companies in the Top 100 who have chosen to adopt a formal diversity policy. In 2013 39 companies had diversity policies, which has increased marginally to 52 in 2016. This is only an increase of 13 companies in the space of three years. A total of 32 companies that have women on the board have not yet adopted diversity policies. Of the 52 companies that do have diversity policies, nine do not have any women on the board. These companies are:

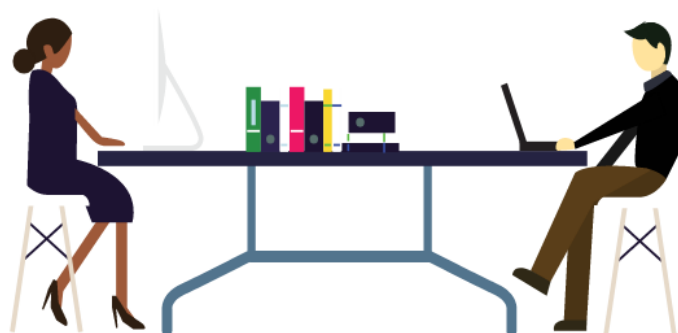
- CBL Corporation Limited
- Tegel Group Holdings Limited
- Pushpay Holdings Limited
- PGG Wrightson Limited
- Orion Health Group Limited
- Millennium & Copthorne Hotels New Zealand
- Gentrack Group Limited
- New Zealand King Salmon Investments Limited
- Tower Limited

Some companies appear to pay lip service to diversity without a demonstrated commitment to action. Often companies will use a ‘boilerplate’ approach, and the same phrases are often found across multiple companies’ diversity policies. In the NZX Guidance Note it states that “‘Boilerplate’ language that offers little or no insight into a company’s approach to diversity should be avoided”. Unfortunately sentences like those listed below litter diversity policies. Some companies without diversity policies do not mention diversity or gender at all within their annual reports.

In its diversity policy PGG Wrightson states that “the Board does not currently consider it necessary to set numerical diversity objectives or targets, nor specific ‘affirmative action’ measures “. Its board has no female directors. Similarly, in its diversity policy CBL, with no women at board level, states that it will “aim to establish appropriate and measurable objectives for achieving gender diversity.”

The concept of “merit” is often used as a shield by companies to excuse their lack of diversity, specifically female appointments to the board of directors. For example, Scales Corporation Limited (no women) “Scales recruits, promotes and compensates on the basis of merit, regardless of gender, ethnicity, religion, age, nationality, sexual orientation, union membership or political opinion”.

The absence of accountability for diversity in governance means there are no consequences for those companies who are not practising diversity in reality. Companies with poor gender diversity can keep reporting that they have no women.



Methodology

NZX provided us with the Top 100 NZX companies by market capitalisation as at January 24, 2017. For this research we have collected both complete 2016 data and partial 2017 data.

For the purposes of collecting partial 2017 data, the gender of board directors was identified via each company's website as at 21st April 2017. If the company's website did not include Board member information, the data from the previous 2016 annual report was used. We recognise that the latest 2017 figures are only partial figures which come from websites rather than annual reports, and that some companies may not have updated their websites in 2017.

For the purposes of collecting 2016 data, the genders of board members and CEO/Managing Directors were taken from the images used in the company's 2016 annual report. If there were no images used in the annual report, images from the company's website were used. If there were no images on the website, we either went by the pronouns used in the annual report and on the website, or in some cases we googled individual board members. If any board members resigned during the financial year 2016 they have not been included in the final numbers. Only board members that were active at the date of the companies' 2016 annual reports have been included. Alternates have also been included. The report has used comparative data compiled by the New Zealand Human Rights Commission between 2008-2012 and published in four publications, and data published in an academic journal in 2014. In some cases data from annual reports and company websites varies. The researchers are happy to correct any inaccuracies as at 21 April 2017 and can be contacted at judy.mcgregor@aut.ac.nz.

NZX Top 100 Companies

(Years with a “-” indicate that a company was not reported on during this year)

COMPANY NAME	NO. OF WOMEN	TOTAL	%	2016	2012	2010	2007	Progress since 2012
Auckland International Airport Limited	3	8	37.5%	3	1	1	1	Plus 2
Fletcher Building Limited	2	8	25.0%	2	2	1	1	Same
Meridian Energy Limited	2	8	25.0%	3	-	-	-	Plus 3
Spark New Zealand Limited ²	3	8	37.5%	2	2	0	1	Plus 1
Fisher & Paykel Healthcare Corporation Limited	1	8	12.5%	1	0	0	1	Plus 1
Mercury NZ Limited (NS)	2	7	28.6%	2	-	-	-	-
Ryman Healthcare Limited	2	8	25.0%	2	1	1	0	Plus 1
Contact Energy Limited	3	6	50.0%	2	2	2	1	Plus 1
Vector Limited	2	7	28.6%	2	2	2	2	Same
Z Energy Limited	3	7	42.9%	3	-	-	-	-
Port of Tauranga Limited (NS)	1	7	14.0%	1	0	0	0	Plus 1
SKYCITY Entertainment Group Limited (NS)	2	7	28.6%	1	1	0	1	Plus 1
Ebos Group Limited	2	6	33.0%	2	2	2	2	Same
Xero Limited	3	8	37.5%	1	0	0	-	Plus 3
Air New Zealand Limited (NS)	3	7	42.9%	3	1	1	1	Plus 2
Genesis Energy Limited (NS)	3	8	37.5%	4	-	-	-	-
Mainfreight Limited	2	8	25.0%	0	0	0	0	Plus 2
Trade Me Group Limited	2	5	40.0%	3	2	-	-	Same
Kiwi Property Group Limited ³	3	6	50.0%	3	1	1	1	Plus 2
Sky Network Television Limited	2	5	40.0%	2	0	0	0	Plus 2
Chorus Limited (NS)	3	8	37.5%	2	3	-	-	Same
The a2 Milk Company Limited ⁴	1	6	16.6%	1	0	-	-	Plus 1

² Previously called Telecom

³ Previously called Kiwi Income Property Trust

⁴ Previously called A2 Corporation Limited

COMPANY NAME	NO. OF WOMEN	TOTAL	%	2016	2012	2010	2007	Progress since 2012
Infratil Limited	1	6	16.6%	1	0	0	0	Plus 1
Goodman Property Trust	2	7	28.6%	2	2	1	0	Same
Trustpower Limited	1	7	14.0%	1	0	0	0	Plus 1
Precinct Properties New Zealand Limited	1	7	14.0%	1	-	-	-	-
Metlifecare Limited	2	5	40.0%	2	0	0	0	Plus 2
Freightways Limited	1	6	16.6%	1	1	1	1	Same
Summerset Group Holdings Limited	3	6	50.0%	3	1	-	-	Plus 2
The Warehouse Group Limited	3	8	37.5%	3	1	1	1	Plus 2
Westpac Banking Corporation	1	8	12.5%	2	3	3	2	Minus 2
CBL Corporation Limited	0	6	0.0%	0	-	-	-	-
Vital Healthcare Property Trust	1	5	20.0%	1	1	-	-	Same
Briscoe Group Limited	2	5	40.0%	2	1	1	1	Plus 1
The New Zealand Refining Company Limited	1	7	14.0%	1	1	0	1	Same
Argosy Property Limited	0	6	0.0%	0	0	-	-	Same
Fonterra Shareholders' Fund (NS)	2	5	40.0%	2	-	-	-	-
Heartland Bank Limited	2	8	25.0%	0	0	-	-	Plus 2
Property for Industry Limited	1	5	20.0%	1	0	0	0	Plus 1
ANZ Australia and New Zealand Banking Group Limited	3	8	37.5%	3	2	1	1	Plus 1
Tilt Renewables Limited	1	6	16.6%	1	-	-	-	-
Sanford Limited (NS)	1	6	16.6%	1	1	0	0	Same
Restaurant Brands New Zealand Limited	1	5	20.0%	1	1	1	1	Same
Stride Property Ltd & Stride Investment Management Ltd (NS)	1	5	20.0%	1	-	-	-	-
Delegat Group Limited	2	6	33.3%	2	2	2	2	Same
Synlait Milk Limited (NS)	2	8	25.0%	2	-	-	-	-
Scales Corporation Limited	0	7	0.0%	0	-	-	-	-

COMPANY NAME	NO. OF WOMEN	TOTAL	%	2016	2012	2010	2007	Progress since 2012
Tegel Group Holdings Limited	0	6	0.0%	0	-	-	-	-
Arvida Group Limited	1	5	20.0%	1	-	-	-	-
Tourism Holdings Limited	4	6	66.6%	3	0	0	0	Plus 4
Vista Group International Limited	1	5	20.0%	1	-	-	-	-
Pushpay Holdings Limited	0	6	0.0%	0	-	-	-	-
APN News & Media Limited	2	6	33.3%	2	1	0	1	Plus 1
PGG Wrightson Limited	0	7	0.0%	0	0	0	0	Same
T&G Global Limited ⁵	2	7	28.6%	2	1	1	0	Plus 1
Kathmandu Holdings Limited	2	6	33.3%	2	1	1	-	Plus 1
Investore Property Limited (NS)	1	4	25.0%	1	-	-	-	-
Metro Performance Glass Limited	0	6	0.0%	0	-	-	-	-
Green Cross Health Limited ⁶	1	8	12.5%	1	0	-	-	Plus 1
Hellaby Holdings Limited	1	4	25.0%	0	0	0	0	Plus 1
Comvita Limited	2	6	33.3%	2	0	0	0	Plus 2
Orion Health Group Limited	0	7	0.0%	0	-	-	-	-
Skellerup Holdings Limited	1	6	16.6%	1	1	1	1	Same
NZX Limited	1	6	16.6%	2	1	0	0	Same
Millennium & Copthorne Hotels New Zealand Limited	0	6	0.0%	0	0	0	0	Same
Turners Limited	0	6	0.0%	0	-	-	-	-
AFT Pharmaceuticals Limited	1	7	14.0%	1	-	-	-	-
Airwork Holdings Limited	0	5	0.0%	0	-	-	-	-
ASB Capital Limited (NS)	1	4	25.0%	1	1	0	0	Same
Gentrack Group Limited	0	5	0.0%	0	-	-	-	-
The Colonial Motor Company Limited	0	7	0.0%	0	0	0	0	Same
Trilogy International Limited	1	5	20.0%	1	-	-	-	-

⁵ Previously called Turners & Growers Limited

⁶ Previously called Pharmacybrands Ltd

COMPANY NAME	NO. OF WOMEN	TOTAL	%	2016	2012	2010	2007	Progress since 2012
Steel & Tube Holdings Limited	3	6	50.0%	2	2	1	1	Plus 1
Pacific Edge Limited	0	6	0.0%	0	0	-	-	Same
Kingfish Limited	2	4	50.0%	2	2	2	2	Same
AMP Limited	4	10	40.0%	4	3	1	2	Plus 1
New Zealand Oil and Gas Limited	1	5	20.0%	1	0	0	0	Plus 1
NZ Top 50 Fund (NS) (A part of SmartShares)	0	4	0.0%	0	-	-	-	-
New Zealand Bond Trust (NS)	0	4	0.0%	0	-	-	-	-
CDL Investments New Zealand Limited	0	6	0.0%	0	0	0	0	Same
Evolve Education Group Limited	2	6	33.3%	1	-	-	-	-
New Zealand King Salmon Investments Limited	0	6	0.0%	0	-	-	-	-
Hallenstein Glasson Holdings Limited	1	6	16.6%	1	1	1	1	Same
Abano Healthcare Group Limited	2	6	33.3%	1	2	2	2	Same
Scott Technology Limited	0	7	0.0%	0	0	-	-	Same
South Port New Zealand Limited (NS)	1	6	16.6%	0	0	0	0	Plus 1
Marsden Maritime Holdings Limited (NS)	2	6	33.3%	2	-	-	-	-
Tower Limited	0	5	0.0%	0	1	1	1	Minus 1
Opus International Consultants Limited	1	8	12.5%	1	1	0	-	Same
The Europe Trust (NS)	0	4	0.0%	0	-	-	-	-
Global Bond Trust (NS)	0	4	0.0%	0	-	-	-	-
NZME Limited	1	3	33.3%	1	-	-	-	-
New Zealand Cash Trust (NS)	0	4	0.0%	0	-	-	-	-
Michael Hill International Limited	2	5	40.0%	2	3	2	2	Minus 1
Telstra Corporation Limited	4	10	40.0%	3	3	1	2	Plus 1
NPT Limited	1	3	0.0%	1	0	-	-	Plus 1
Rubicon Limited	0	6	0.0%	0	0	0	0	Same
The US 500 Trust (NS)	0	4	0.0%	0	-	-	-	-

EROAD Limited	1	6	16.6%	1	-	-	-	-
Australian Foundation Investment Company Limited	2	8	25.0%	2	1	1	1	Plus 1