

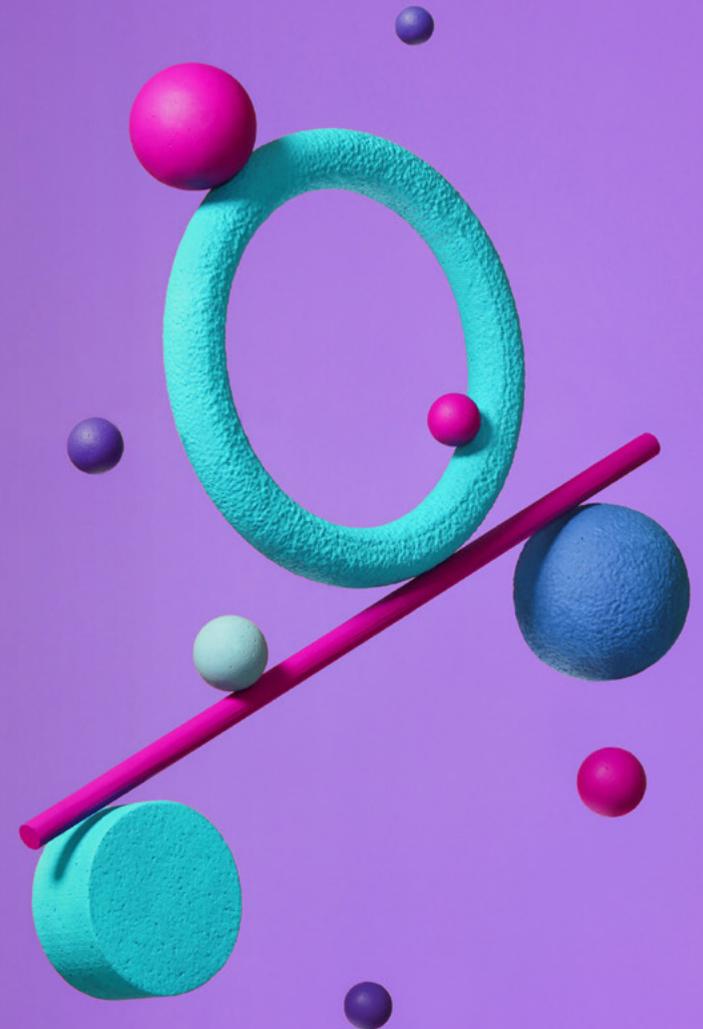


Building Gender Diversity on ASX 300 Boards

Seven Learnings from the ASX 200

July 2020

[KPMG.com.au](https://www.kpmg.com.au)



Foreword



Alison Kitchen
Chairman, KPMG Australia

If boards ever needed the wakeup call that different voices, perspectives and experiences matter, they would have had it in spades these past few months. When you're operating in an environment where there's a huge number of unknowns – having a lot of different experience around the table is a very good thing. And that diversity of experience can help boards navigate the enormous challenges we are facing.

Gender is one, and one very important lens to diversity. But this current period has highlighted to me that having different voices, different perspectives, different life experience and different business experience at the table – all asking open questions, being curious and sharing experiences is the key to surviving and thriving. The advantage a diverse board offers is the ability for companies to be agile, flexible, and to think, quickly and differently.

What has made me hopeful in this report is that we now have strong female representation on boards across the ASX 100. Over half of those companies have more than 30 per cent women on their boards and in that group some companies have over 50 per cent women on boards, and some have female chairs. We are genuinely approaching equality of representation at the top end of town. That these market leaders are leading on the issue of diversity is a hopeful sign – as market leaders, others tend to follow their example. It demonstrates to other companies the value of diverse boards.

But there is more work to be done – the table on page seven of this report paints a stark reminder of that. Within the ASX 201-299 we see the financials, health care, consumer staples and utilities sectors reporting over 30 per cent of female representation on their boards, but there is a small cohort that have no women on their boards at all, including industrials and information technology. And there's plenty of sectors that have well under the 30 per cent target – the materials and energy sectors in particular. There is a massive amount of work that still needs to be done in these areas to have any real progress.

While much of the research in this report was done before the COVID-19 pandemic reached our shores, its influence on how we should move forward cannot be ignored. The companies that I have seen survive and thrive through these challenges are ones that have been agile, more open to change and have made bold moves. Post the immediate pandemic effects, there will be even more risk for those who hesitate to be left behind. My hope is that this time of uncertainty will further emphasise the need to accelerate the push for diversity in thinking. Companies that are agile, flexible and open to change are also the ones that are more willing to listen to diverse views.

There is still a deep-seated belief in some sectors that relevant industry experience is needed to be on a board. And while some industry experience on the board is necessary – it's not the only capability that's needed. Progressive boards look beyond just line experience and consider the unique skills and capabilities needed at their table and how they can complement the existing capabilities and skills.

We've collectively been through a short period of extreme change, and we're moving into a long period where the environment is going to be difficult – so now, more than ever, companies will be looking for areas of competitive advantage, and to avoid anything that puts them at risk of being left behind. Companies will need better, more rounded skills at the table to set themselves up with a chance to succeed. Now really is the time to double down on getting those new skills to the table.

KPMG is proud to have worked with the 30% Club in creating this report, and I'd like to thank all the all the non-executive directors who took the time to provide their valuable insights on the benefits a gender diverse board can offer.

Foreword



Melanie Willis
**Non-Executive Director,
Chair Education, Working Group, 30% Club**

The need for different voices and perspectives around the boardroom table has never been more apparent. Organisations need to respond with speed to a raft of challenges around increasing consumer expectations and emerging technologies and disruption as well as more recent challenges presented by the COVID-19 pandemic.

Tomorrow's successful companies will have a deep understanding of what their customers want now and into the future, be inspiring to their employees and help build communities. To realise this success, companies will need a greater level alignment between board, customer, employee and community representation. These successful companies will recognise that diversity is an important element of stronger, forward-thinking governance that is inextricably linked to strategy.

Although the ASX 200 reached the 30 per cent target for women on boards at the end of 2019, the story further down the index is very different. In April this year, women held only 22 per cent of board positions in the ASX 201-300 bracket. Though a quarter of businesses in that bracket had achieved the 30 per cent target for female representation, more than half had only one female director or none at all.

An objective of the 30% Club in 2020 is to focus on the ASX 300 to address this imbalance, and align with the updated [ASX Corporate Governance Principles and Recommendations](#) that states all listed boards should strive to have at least 30 per cent female directors.

Our [2018 report](#) looked at instituting diversity in the ASX 200. This report now considers the resources and structure of mid-market companies and has extracted relevant lessons from the ASX 200 that ASX 300 business leaders can draw from.

This report demonstrates that when organisations take an intentional, explicit and strategic approach to diversity they can realise its many benefits, including as a key differentiator in market. It is hoped that the following findings can provide a framework to shape thinking around the issue of board gender diversity by Australia's mid-cap companies looking to invest in building strong foundations for a successful future.

We believe this advice is particularly well timed. Companies will be engaging with a very different consumer as we emerge from the COVID-19 restrictions; looking in the rear-view mirror will not set companies up well to tackle tomorrow's problems.

What will remain unchanged however, are principles of good governance. Boards of the future will need to consist of individuals that offer a blend of corporate history and industry expertise with members that can envision possible futures and the opportunities that lie within them. Investors are increasingly relying on diversity in leadership as a key indicator of good governance, and consumers and our communities are coming to expect it.

We have seen in the US recently the importance of equality in diverse communities more broadly. Companies' success relies upon thriving communities where diversity and inclusion is actively embraced. Now more than ever we need directors on boards that can bring an outside-in lens to the table and challenge conventional thinking.

I would like to thank Alison Kitchen and the KPMG team for all their hard work and effort in preparing this important report. I'd also like to thank members of the Education Working Group for their consultation and input, members of the 30% Club Steering Committee, and the tireless commitment of Nicola Wakefield Evans as Chair of the Australian chapter of the 30% Club.

Introduction

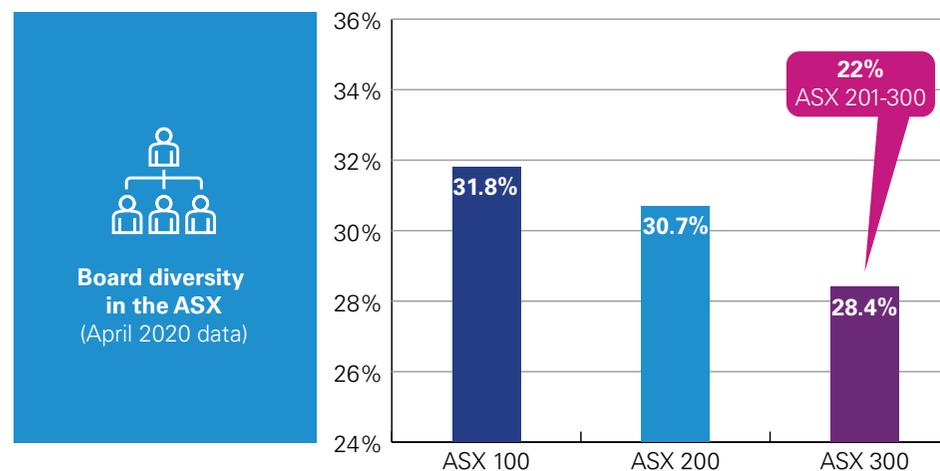
The 30% Club Australia launched in May 2015 with the primary objective of campaigning for 30 per cent women on ASX 200 boards. As the decade ended, for the first time, women made 30 per cent of board seats on the ASX 200 – evidence that meaningful change can be achieved through voluntary targets.

The challenge is to maintain momentum in encouraging greater numbers of businesses to achieve 30 per cent as a minimum threshold rather than a target.

With the top of the ASX leading the way on gender diversity on boards, the 30% Club has expanded its focus to the ASX 300, advocating for 30 per cent female directors by the end of 2021 – sitting at 28.4 per cent as of April 2020 but only 22 per cent for ASX 201-300.

The themes identified in this report are drawn from publicly available information on gender diversity on ASX 300 boards, along with ASX 300 market capitalisation data dating back to 2015. Interviews were also conducted with eleven respected current board directors and chairs of ASX 200 companies.

Throughout the report we share seven key learnings on what the boards of ASX 201- 300 businesses can do to increase gender representation and diversity more generally in non-executive directorships.



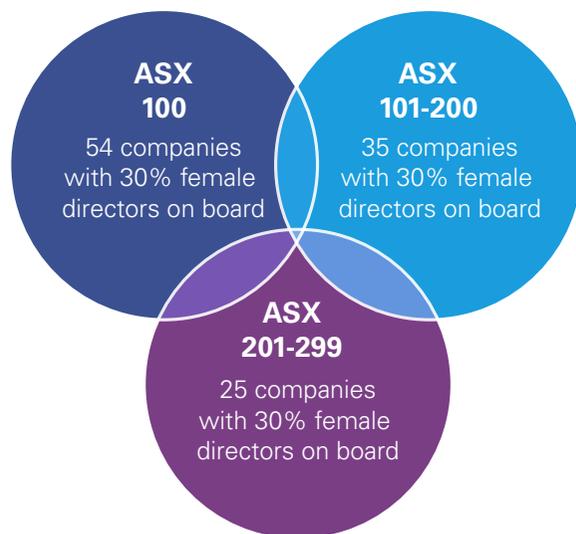
Learnings from the ASX 200

- 1 Achieving board diversity is a function of leadership**
- 2 Diversity improves outcomes in the long term**
- 3 Growth-oriented businesses strive for greater board diversity**
- 4 Look beyond line experience as a prerequisite for NEDs**
- 5 Focus on building gender diversity in C-Suite roles as well**
- 6 Female NEDs are attracted to businesses with diversity**
- 7 Companies should set stretch diversity targets**



Board Diversity in the ASX 201-299

With the top of the ASX 200 leading the way on gender diversity on boards, it is important to note that the companies in the ASX 201-299 who have reached 30% of females on their boards are more likely than not to see market capitalisation increases over the past 12 months. We are also seeing several companies increase or change the board composition to add females.



Seven of these 25 companies increased their market cap in the year to April 2020

- Select Harvests Limited
- Lifestyle Communities Ltd
- Baby Bunting Group Limited
- Asaleo Care Limited
- Infigen Energy Limited
- Elders Limited
- BWX Limited

Of the 23 companies in the ASX 201-299 who increased their board size in the 12 months to April 2020, 15 filled the new board seat with a female.

- GWA Group Limited
- Tassal Group Limited
- Arena REIT
- oOh!Media Limited
- Estia Health Limited
- Infigen Energy Limited
- Seven West Media Limited
- Asaleo Care Limited
- Aurelia Metals Limited
- BWX Limited
- Money3 Corporation Limited
- OFX Group Limited
- Japara Healthcare Limited
- OceanaGold Corporation
- Sundance Energy Australia Limited

And a further three companies changed their board composition to add a female.

- Regis Healthcare Limited
- Myer Holdings Limited
- IVE Group Limited

Sector focuses for gender diversity on boards in the ASX 201-299

ASX 201-299 by primary sector

As seen across the wider ASX 300, the materials sector has the strongest representation on the ASX 201-299.

Half of the communication services companies on the ASX 300 (10/20) appear on the ASX 201-299.

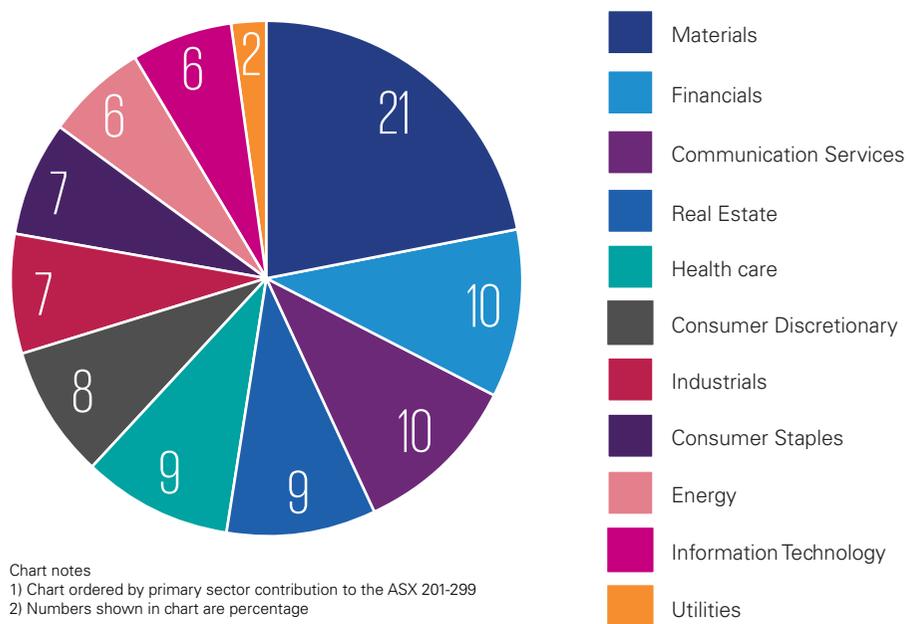


Chart notes
 1) Chart ordered by primary sector contribution to the ASX 201-299
 2) Numbers shown in chart are percentage

ASX 201-299 by average female representation on boards

Only four primary sectors within the ASX 201-299 have on average 30 per cent or more females on boards.

A key sector of focus in the ASX 201-299 is materials – with the strongest contribution of companies to the list but with the lowest average proportion of females on boards. To note, the materials sector performs stronger on this measure in the ASX 100 (31 per cent) and ASX 200 (27 per cent).

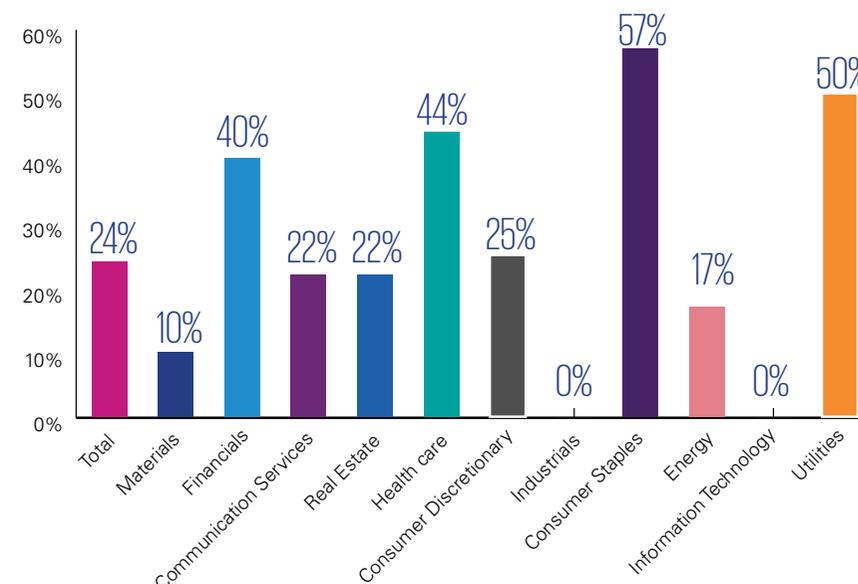


Chart notes
 1) Chart ordered by primary sector contribution to the ASX 201-299

7 key learnings from the ASX 200



1 Achieving board diversity is a function of leadership

As the leaders of the board, it is the role of the chair to set diversity as a priority at the board and company level. Key is the personal perspective, not the gender of the chair.

Chairs play an influential role in shifting the dial on diversity. They can do this through creating an inclusive boardroom environment, ensuring the board itself is diverse and setting the tone that diversity and inclusion is important to the organisation. Without the chairs' commitment to, and belief in, the benefits of diversity and inclusion, progress will be difficult to achieve.

Many chairs within the ASX 100 are highly engaged in the diversity conversation and have shown to continually prioritise it within their boards and organisations. It is critical that chairs within the ASX 201-299 show a similar desire to educate themselves on the benefits of diversity and set an intent to continually improve gender diversity on their boards.

NEDs report that it's the personal perspective and intent of the chair, not their gender that is key in setting diversity agendas. However, female chairs can play an influential role by sending positive external signals to the rest of the company and the market, that diversity is an organisational priority.

While the chair should be held accountable for driving leadership on boards, pressure from institutional stakeholders and male champions of change can also be effective in driving gender diversity. Large shareholders who demand companies disclose the steps being taken to create greater gender diversity on boards, and male advocates who initiate conversations around gender equality, are effective drivers of change. It is critical that leaders within the ASX 201-299 understand the pivotal role they play in setting the tone for diversity within their board, organisation and community as a whole.

"We need businesses to be open and accepting workplaces. Business leaders need to stand up for what they believe in. At Sims I made the decision to have more women on the board with no dissent from the board. We were able to do that and still get the best candidates."

Geoff Brunson

"If you are not getting diversity, then look to the chair, they have prime responsibility."

Michael Ullmer

"It is the responsibility of the chair to drive gender diversity throughout the board, like a CEO does for the company. The gender of the chair doesn't make a difference, it's the intent of the chair that makes a difference."

Yasmin Allen

"Female chairs send a visible signal to the whole organisation about the equality of opportunity within that organisation."

Tonianne Dwyer

"There is no doubt the chairman plays an important role in setting the agenda for gender diversity. Over time we have also seen the owners of the capital as well as proxy advisers play an influential role in challenging board composition especially those boards where there is low/no female representation."

Sylvia Falzon

"While support for board diversity needs to come from everyone, it is particularly powerful when male leaders speak up about it. Male champions of change do make a difference."

Melinda Conrad

2 Diversity improves outcomes in the long term

Companies within the ASX 200 see diversity as a business imperative that brings significant financial and non-financial benefits in the long term.

Successful companies can capitalise on diversity and inclusion as a source of competitive advantage.

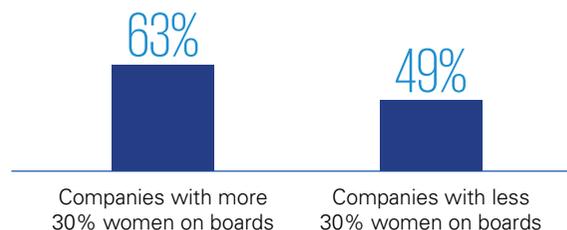
NEDs agree there is a correlation between greater levels of diversity in leadership and a company's financial performance. Diversity is generally viewed as a positive force to challenge group think and create an environment for more effective risk management and organisational governance. A board that includes individuals with different perspectives, backgrounds and experiences is critical to creating an environment where better decisions can be made. Having a diverse set of competencies and perspectives helps organisations anticipate change, assess risks and discover opportunities – all of which can improve the bottom line.

ASX 200 boards also recognise the importance of recruiting from the full talent pool when sourcing potential board candidates. By considering the whole cohort, boards end up with higher calibre board members and ultimately better outcomes.

Board members we interviewed also discussed the indirect benefits diversity in leadership teams can have on a company's long term outcomes. Gender diversity at the board level can improve employee satisfaction and retention, attract high calibre employees throughout the entire organisation and send a clear signal to the market of good governance – which can be attractive to investors.

Overall having gender diversity on the board significantly strengthens organisational effectiveness. It is critical that companies further down the index understand the case for diversity and how it can directly improve their company's performance.

ASX 201-299 companies with at least 30 per cent women on their boards are more likely to have seen a market capitalisation increase in the last 12 months



ASX 201-299 Market Capitalisation Growth (L12M to Sep'19 to exclude the recent impact of COVID-19. Results do not imply causation, rather a correlation.)

“It is clear diversity leads to better outcomes, research has proven this, and this is my personal experience.”

Geoff Brunson

“As a board your job is to think about problems and issues – the more perspectives you have the more likely you are to identify issues earlier.”

Kathleen Conlon

“Diversity creates alternative views, if discussed in an open way you can come to a better conclusions and consequently better outcomes.”

Eileen Doyle

“The best way to mitigate against risk is by not having group think.”

Penny Bingham-Hall

“We live in a volatile and fast-paced world, where the scope of risk is now so broad it is essential, more than ever, that we have a richness of ideas and different perspectives on the board.”

Jacqueline Chow

“Empirical evidence shows that diversity leads to better performance. Without diversity specific policies, boards will likely miss out on representation from the wider community.”

Michael Coleman

3 Growth-oriented businesses strive for greater board diversity

ASX 100 companies are increasingly viewing diversity as a business-as-usual practise. For some it is now implicit but for companies just setting out it must be explicit.

Having diversity in place is a business imperative for modern, growth-oriented businesses – it is imbedded in the board’s culture and company strategy.

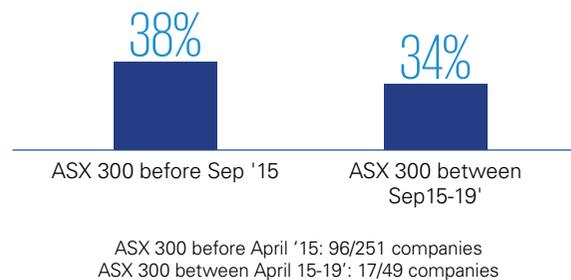
Within ASX 100 companies, conversations around diversity and inclusion are front and centre, and boards are increasingly viewing diversity as a business-as-usual practise – it is implicit in all decisions they make. Companies within the ASX 201-299, that lack gender representation on their boards and in their leadership teams, need to continually prioritise diversity on the board’s agenda and be explicit, in order to ensure diversity targets are achieved. This is especially relevant for companies who have recently joined the ASX, as they may have a less robust organisational governance, culture and strategy towards achieving gender diversity.

Companies in the ASX 201-299, aspiring to break into the higher index of the ASX, should now consider the benefits

of putting in place board diversity. Investors often look at diversity on boards and in leadership as a key indicator of good governance. For the market, diversity signals that an organisation is set up to take on growth, which can drive investor interest in the company. Additionally companies who are leaders in this space benefit from an enhanced reputation, which can create stronger relationships with customers, suppliers and society as a whole.

ASX 201-299 companies should look to learn from companies that are leading the way in this space as they often have greater awareness, international experience and exposure to the benefits of board diversity.

Modern, well established companies are more likely to have reached the 30 per cent target than newer companies who have joined the ASX 300 in the past five years.



“Conversations around diversity are now front and centre. The push from ASX corporate governance guidelines made it okay to talk about gender diversity in the board room. Now its an easy conversation, brought up by both men and women.”

Yasmin Allen

“At Suncorp we have in excess of 40 per cent female representation on the board including a female chairman as well strong female representation on the executive team, so its been a conscious effort over time to ensure gender diversity is a key strategic consideration.”

“For ASX 300 companies, who are turning their minds to gender diversity, it makes good business sense. Consumers and other stakeholders are taking an active interest in board and executive composition. So it can become a key differentiator for consumers, investors and potential employees.”

Sylvia Falzon

“ASX 100 companies are typically more experienced and exposed to the benefits of diversity in international markets. Whereas the ASX 300 are often less global therefore have less learnings from abroad.”

Michael Ullmer

“Gender is the first hurdle in diversity.”

Geoff Brunson

4 Look beyond line experience as prerequisite for NEDs

Executive line experience is desired but not essential for boards – what is key is the range of unique skills and capabilities candidates bring to complement existing NEDs.

ASX 300 boards often have a restrictive view that board members must have direct line experience in their particular sector in order to be considered for a board position. This opinion has been a key barrier in preventing potential directors of all genders to be considered for board positions, and in particular females, as females are significantly underrepresented in line roles and within male dominated sectors.

Progressive boards understand that executive line experience is desired but not essential for board positions. Instead, what is key are the unique skills and capabilities a potential board member can bring to complement skills of the existing NEDs. Boards within the ASX 100 recognise that a board made up entirely of former CEOs will fail to provide diversity of ideas and thought. It is essential boards look at other Executive Leadership Team (ELT) leadership roles, such as heads of HR, finance, marketing and risk, where women in these roles may have vast experience and expertise that would be of value to a board.

Additionally, with the business world more volatile than ever causing a broader scope of risk, considering NEDs from a range of sectors is seen as invaluable. Progressive boards are strategically acquiring NEDs from a range of sectors to better adapt to issues and identify opportunities. Broadening the recruitment brief, especially in sectors dominated by males, allows boards to expand the pool of females that could be considered for a position.

Professional recruitment firms play a critical role in identifying candidates that are outside a board's personal networks. However, NEDs articulated that it is the responsibility of the board to put pressure on these firms to source a diverse range of candidates and look beyond the same short list of women.

ASX 300 companies need to learn from companies higher up the index and begin to look beyond line experience and particular sector focusses, as prerequisites when sourcing potential NEDs.

"We need to think about skills and experience differently. It is critical to keep challenging ourselves on what is going to drive long term sustainable value going forward. Unconscious bias can come into play if boards only look for people who have had line roles in particular P&L roles as this is somewhat limiting for women given the limited number of females in executive roles with P&L responsibilities. Question what is more valuable subject matter expertise or enterprise value."

Sylvia Falzon

"My advice to ASX 201-299 companies would be throw the net wide, think of the skills you need with an emphasis on diversity of background, location, experience and sector, then naturally you will end up with a mix of genders."

Penny Bingham-Hall

"Diversity of experience contributes to diversity of thought. While some line experience around the board table is important, it is not the only kind of experience that can make a valuable contribution."

Melinda Conrad

"Question search firms and put pressure on them to go beyond the usual list. Companies need to demand it. Companies need to learn how to specify requirements that open them up to diversity."

Kathleen Conlon

"The pool is only limited by what you set the criteria as. Make it clear to the recruitment firm that gender diversity is important and that you want a good representation of women on the short list, then you have a good starting point."

Michael Ullmer

"We need to show that having a broad range of backgrounds matter. It's not just a skills matrix, it is about attributes and diverse experiences and contributions."

Yasmin Allen

5 Focus on building diversity in C-Suite roles as well

ASX boards should look to widen their focus to achieve 30 per cent female representation in senior management and executive roles.

Boards play a critical role in influencing management and driving diversity within the wider executive team. Achieving gender diversity at the board level is important, it is also vital boards use their influence to achieve gender diversity throughout the organisation, specifically in leadership roles where females are often severely underrepresented.

In order to lift female representation in senior leadership roles boards must create a company environment that is conducive to female career progression. Companies that are successfully building out their cohort and lifting the supply of women in leadership roles identify the importance of talent mapping and encouraging high performing females to prepare for senior positions. Additionally boards should focus on building a framework for women in executive positions that allows them to have families and progress their career – this is a common barrier. The board plays a key role in setting

the tone for diversity within an organisation, however they can also play an influential role in inspiring and supporting women into management roles through mentorship and female role modelling. It is critical ASX 201-299 boards use their influential role to set diversity as a priority within the organisation.

Building gender diversity within the executive team is not only important from a governance perspective, it can also have positive effects in building a pipeline of future female NEDs. Companies within the ASX 100 who have focused on promoting women into CEO, CFO and P&L ownership roles are creating a pool of potential future NEDs to pull from. Companies within the ASX 300 should look within their own workforce and acknowledge the need to keep building the pool of future female NEDs.

Overall boards should widen their focus to achieve 30 per cent of female representation in C-suite roles and look within their own organisation as to how they can facilitate this at every level of their workforce.

“It is incumbent on all board members to keep asking the question about female talent in all levels of the organisation and to make sure that high potential women are given enough visibility to shine.”

Melinda Conrad

“Conversations are now squarely about C-suite roles. Boards are aware of the female pipeline; ready now, ready in two years, ready in five years. We often need to actively target women as they have other choices – for example, ‘we want to help you to stay in the business and rise up the ranks.’”

Yasmin Allen

“The real value to an economy and the community more broadly, is having more diversity at the executive leadership level. Executives are the biggest influencers of outcomes, they are the ones responsible for the organisation day to day. We need to get more women into CEO and P&L roles in organisations. This will then create a healthy pipeline of female talent.”

Sylvia Falzon

“A 30% Club for C-Suite line roles would, over time, drive a substantial increase in the number of female CEO’s and board members.”

Tonianne Dwyer

“Boards have to think about how women advance through an organisation as well as how to bring women into senior roles where gender balance is lacking and it’s the board’s role to ensure they are supported in their career development. We need to continue to create a framework for women and men to have executive careers and families.”

Geoff Brundson



6 Female NEDs are attracted to businesses with diversity

ASX 201-299 need to be conscious of the external signals being sent to the female NED and senior executive talent pool. That signal needs to be that firms at this level of the ASX are open to women in leadership and board roles.

Organisations that can already demonstrate diversity in executive leadership and board appointments, often attract high calibre female NEDs. External signs that can show an organisation is open to women in leadership and board roles are key indicators to existing and aspiring female NEDs that a company values diversity.

Female board members are often selective in which boards they join – they want their voices to be heard and valued. They do not want to be considered for a role merely to tick a box. Having 30 per cent gender diversity is recognised as

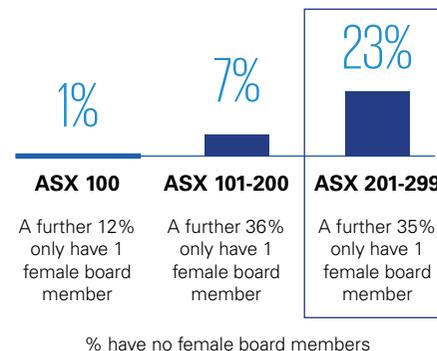
the tipping mechanism, that enables the dynamics of the board conversation to change. As such, female board members are often more likely to join boards with more than one female.

With 23 per cent of ASX 201-299 boards having no female board members and a further 36 per cent only having one female board member, boards must consider alternative signals that demonstrate diversity is a priority within the organisation, even if there is a lack of diversity on the board level. Females in key leadership positions such as CEOs and board chairs, send clear positive external signals to the company and the market that diversity and inclusion is a priority. Additionally workplace policies that are conducive to better working conditions for women, such as maternity leave and flexible working arrangements, are indicators of a company's culture.

A concern raised by NEDs with companies lower down the ASX index is that they are more likely to have greater family and founder involvement. Family shareholders are extremely influential

in controlling the conversations and decisions on boards which can often be seen as a governance red flag to both potential directors and investors in these entities. Companies within the ASX 201-299 need to focus on the external signals they send to the market and understand that prioritising diversity and inclusion within all levels of an organisation, is a key competitive advantage to attract, develop and retain talented females.

Females are currently more likely to be taking up ASX 200, rather than ASX 300 board seats.



“In this day and age, it’s hard to justify any modern organisation having an all-male board or executive team. It’s a potential signal that the company may not be open to new thinking, which for any stakeholder, is a warning sign.”

Melinda Conrad

“No female wants to be considered the token female on a board to reach a quota. They want to join a board where they know their voice will be heard and valued. I have graciously stepped away from board roles in the past if they have no women on them.”

Jacqueline Chow

“ASX 300 boards may not have institutional shareholders and may have founder shareholder, which can impact diversity.”

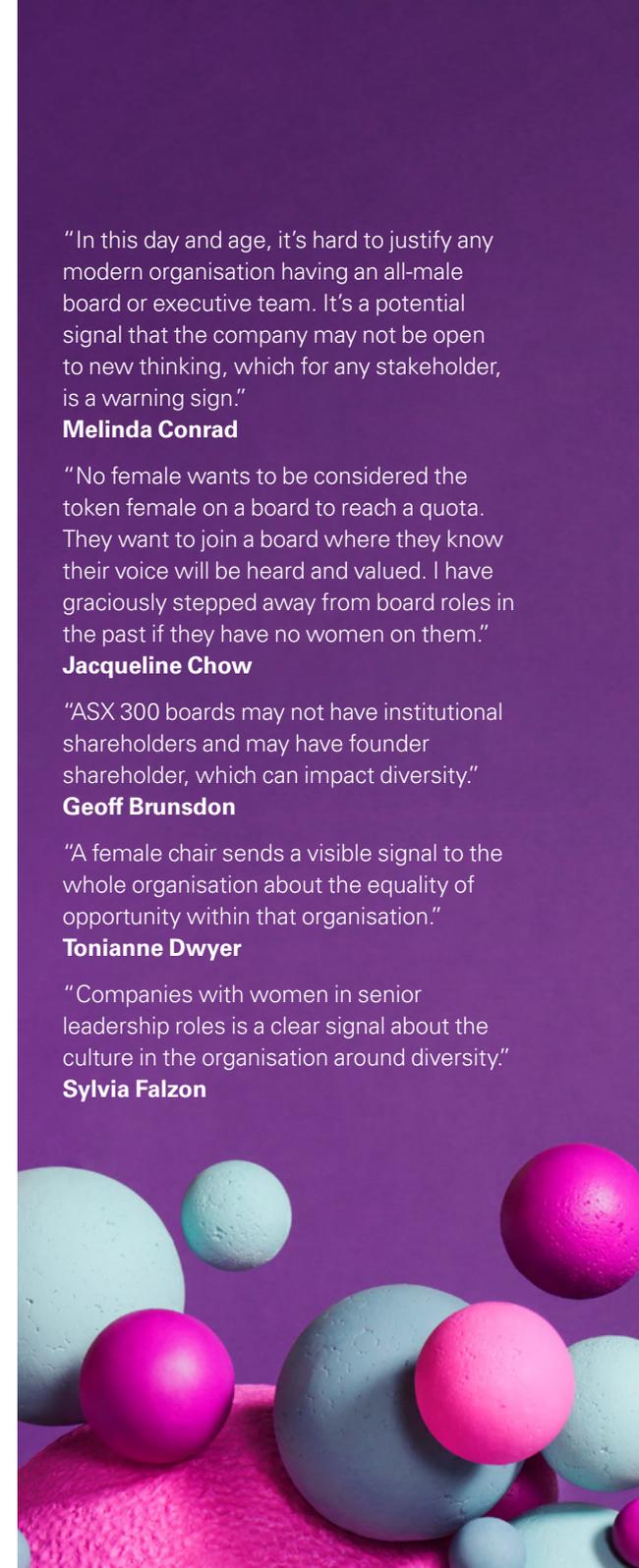
Geoff Brunson

“A female chair sends a visible signal to the whole organisation about the equality of opportunity within that organisation.”

Tonianne Dwyer

“Companies with women in senior leadership roles is a clear signal about the culture in the organisation around diversity.”

Sylvia Falzon



7 Companies should set stretch targets on diversity

Explicitly adopting diversity targets focuses the board on progressing at each opportunity – an absence of targets most likely leads to no progress.

The setting of specific diversity goals and targets is one of the most effective methods for increasing the representation of women and other minority groups. While the ASX 200 have met the target of 30 per cent gender diversity on boards, the rate of change remains slow for companies lower down the ASX index.

While the 30% Club provides a key diversity benchmark for all organisations to achieve, it is critical companies set their own stretch targets on board and senior executive diversity, to increase the rate of change. Many companies within the ASX 100 are now focussing on a 40:40:20 (40 per cent male, 40 per cent female, 20 per cent of any gender) model of diversity, that considers diversity more generally, as supported by AICD.

Explicitly adopting diversity targets focuses the board on progressing at each opportunity and ensures diversity is a priority. Often an absence of targets leads to no progress.

Companies succeeding in setting and achieving their own diversity targets have discussed the importance of aligning

or integrating their diversity plan with the company’s overall business strategy and planning process. It is critical to set achievable and measurable diversity targets, embedded with real accountability. Once targets have been set the board and the executive leadership team, must be responsible for effectively monitoring and evaluating the effectiveness of the initiatives.

General sentiment shared by NEDs is that although the rate of change is relatively slow across the ASX 300, targets are still viewed as the most effective method to bring about change, due to the unintended consequences with quotas.

Leading ASX 200 companies are voluntarily stretching to sit well above 40 per cent for female board diversity



“Having an industry wide target has been beneficial, however individual companies setting their own targets is extremely useful.”

Michael Ullmer

“Setting company targets creates conversation and drives action.”

Tonianne Dwyer

“While good progress has been made, I had hoped the rate of change would have been greater – therefore its important diversity continues to be a key priority for the board and the CEO. The 30% Club and other advocacy groups, like the AICD, play a role in questioning and challenging the board composition of companies where female representation is low or non-existent.”

Sylvia Falzon

“Accountability against a number is critical.”

Jacqueline Chow

“Whenever we make changes to the composition of the board we look to maintain and foster more diversity. Too many unintended consequences to quotas, but the threat of quotas are good.”

Kathleen Conlon

Non-Executive Directors Interviewed



	 ASX 300 Company	 Role	 Sector	 ASX Rank (April '20)	 Diversity (Female Representation) (April '20)
 Eileen Doyle	Oil Search Limited	NED	Energy	#41	33.3%
	Boral Limited	NED	Materials	#75	42.9%
	Technology One Limited	NED	Information Technology	#126	25%
 Geoff Brundson	Sims Metal Management Limited	Chair	Materials	#133	37.5%
	APN Australian REIT	Chair	Real estate	#260	20%
 Jacqueline Chow	Coles Group Limited	NED	Consumer Staples	#18	37.5%
	NIB Holdings Limited	NED	Health Insurance	#101	57.1%
 Kathleen Conlon	Aristocrat Leisure	NED	Consumer Discretionary	#19	42.9%
	REA Group LTD	NED	Communications Services	#28	25.0%
	Bluescope Steel Limited	NED	Materials	#72	37.5%
	Lynas Corporation Limited	NED	Materials	#150	33.3%

	 ASX 300 Company	 Role	 Sector	 ASX Rank (April '20)	 Diversity (Female Representation) (April '20)
 Melinda Conrad	ASX Limited	NED	Financial Services	#26	30%
	Stockland Corporation Limited	NED	Real Estate	#44	37.5%
	Caltex Australia Limited	NED	Energy	#70	42.9%
 Michael Coleman	Macquarie Group Limited	NED	Financial Services	#8	36.4%
	Bingo Industries	Chair	Industries	#169	14.3%
 Michael Ullmer	Lendlease Group Services Pty Limited	Chair	Real Estate	#50	33.3%
	Woolworths Group Limited	NED	Consumer Staples	#7	55.6%
 Penny Bingham-Hall	Fortescue Metals Group Ltd	NED	Materials	#15	50%
	Dexus Property Group	NED	Real Estate	#32	37.5%
	BlueScope Steel Limited	NED	Materials	#72	37.5%

	 ASX 300 Company	 Role	 Sector	 ASX Rank (April '20)	 Diversity (Female Representation) (April '20)
 Sylvia Falzon	Suncorp	NED	Financial Services	#22	44.4%
	Premier Investments Limited	NED	Consumer Discretionary	#110	22.2%
	Regis HealthCare Limited	NED	Healthcare	#220	42.9%
 Tonia Dwyer	Dexus Property Group	NED	Real Estate	#32	37.5%
	ALS Limited	NED	Industrials	#93	14.3%
	Oz Minerals Limited	NED	Materials	#109	40.0%
	MetCash Limited	NED	Consumer Staples	#115	42.9%
 Yasmin Allen	Santos Limited	NED	Energy	#25	25%
	ASX Limited	NED	Financial Services	#26	30%
	Cochlear Limited	NED	Health Care Sector	#37	22.2%

Methodology

AICD provided KPMG with publicly available S&P/ASX 300 (ASX 300) information dating back to 2015 that detailed gender diversity on boards, along with ASX 300 market capitalisation data sourced by KPMG. KPMG define the ASX 300 as the ASX companies by market capitalisation at the end of April 2020 – with any yearly comparisons made in this report made on a like for like basis using the end of April. However analysis of market capitalisation trends are only up to September 2019 to remove the impact of share market declines due to the recent COVID-19 pandemic.

KPMG synthesised and analysed the data, producing a number of insights and hypotheses around board diversity across different levels of the ASX, across primary sectors and against market capitalisation movements since 2015.

Topic areas were developed by KPMG to be explored in greater depth during interviews with eleven current non-executive board directors and chairs from ASX 200 companies¹. The purpose of these interviews was to examine these topics in detail to understand commonalities in attitudes, commitment, practices, values and wider experiences.

The interview selection criteria framework was developed by KPMG to ensure broad base coverage of different board compositions, industry sectors and company sizes². The key criteria for interview selection was that the individual sat on multiple boards at different levels of the ASX 300, each with different gender compositions. This was due to their ability to compare and contrast their experiences and in particular what companies that feature in the ASX 300, but not in the ASX 200, could learn.

The eleven board director interviews were conducted by a highly experienced KPMG research director, from 10th to 25th February 2020.

The insights generated from the eleven interviews, supported by the data and information made available to KPMG have been brought together under seven overarching themes, which are examined in detail in this report.

^{1/2} Profiles of the eleven board director interviews, alongside an overview of the board composition and industry sectors are detailed from page 17



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Presented in conjunction with 30% Club - Australian Chapter.

**About the 30% Club**

The 30% Club Australia launched in May 2015 with the primary objective of campaigning for 30 per cent women on ASX 200 boards by the end 2018. Nicola Wakefield-Evans is Chair of the Australian chapter, working closely with working groups and valued supporters from around the country in promoting the benefits of diversity at all levels of business. In March 2019, the 30% Club announced a new objective for 30 per cent women on ASX 300 boards by the end of 2021.

Visit: www.30percentclub.org

KPMG.com.au

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July 2020. 515126797ENT