



An initiative of Business Engage

THE STATUS OF GENDER ON JSE LISTED BOARDS 2018



A study of the opportunities for gender balancing the boards of companies listed on the Johannesburg Stock Exchange.

CONTENTS

PART 1 INTRODUCTION

1	Foreword	04
2	30% Club	08
3	Reading this report	09
4	Why this research	10

PART 2 THE RESEARCH

5	Basis of this research	13
6	Methodology	14
7	The Results	15
	Companies Analysed	16
	Opportunities for women on boards	16
	New opportunities for women on boards	16
	No opportunities	17
	Gender Policy Linked to BEE	17
	Targets already achieved	17
	Targets set	18
	Parity realised	18
	No women members on board	19
	“One & Done”	19
	Communicating with your stakeholders	19
8	Director Rotations	20

PART 3 CONCLUSION

9	Conclusion	22
10	Future research	23

PART 4 ANNEXURES

10	CONTACT US	28
----	------------	----





1. FOREWORD

**Colleen Larsen F. Inst. D; CE
Business Engage Association NPC
and President 30% Club Southern
Africa and East Africa.**

Welcome to this the second report by the 30% Club Southern Africa (30%CSA), in association with the Institute of Directors South Africa and Tuesday Consulting, on the effect of the Status of Gender on JSE Listed Boards; A study of the opportunities for gender balancing the boards of companies listed on the Johannesburg Stock Exchange.

A former British Prime Minister was quoted as saying that a week is a long time in politics. Well a year is a long time in Gender Mainstreaming in the corporate sector. A lot has happened since our first report. As many of you will recall the 30%CSA saw the development of the JSE listing requirements for gender policy at board level as the perfect opportunity to analyse the state of play on an ongoing basis, form a mechanism for tracking these changes in the boardroom, to note if such change was in fact taking place and if so on what basis.

We keep on alluding to the fact that it is not business as usual out there, even without factoring in A.I. and the fourth Industrial Revolution. Those of you who were at the 7th Gender Mainstreaming Awards recently would have heard me mention the Business Roundtable, a U.S non-profit organisation whose membership is comprised of C.E.O's of major U.S. companies, about 181 of them. The Business Roundtable recently



announced that they now consider stakeholder value as important and not solely shareholder value. They now contend that customer value, investing in employees, fair and ethical supplier relationships, and care for the community and environment are also the purpose and responsibility of a business, in addition to long-term as opposed to short term shareholder value. This paradigm shift challenges the Friedman Doctrine which says that a corporation's only responsibility is to its shareholders. The values that the Business Roundtable now espouse fits in very nicely with the whole concept of Gender Mainstreaming.

Also in the U.S., the share of female board members in the Russell 3000 index, which includes most public companies on major US stock exchanges, increased to 20% in the second

quarter of this year from 19% the previous quarter, according to Equilar Inc, a governance-data firm. When Equilar began tracking the measure in late 2016, 15% of board seats were filled by women. Across the pond in the U.K. in 2011 according to Hampton Alexander, 21 FTSE 100 Companies had all male boards, there are now zero. Likewise, Osler, Hoskiin & Harcourt in Canada report that there are also zero all male boards in the S&P/TSX 60 Index which tracks the 60 largest companies listed on the Toronto Stock Exchange.

The point being made here is that when you read this report and couple it with what we read internationally, then progress is most certainly being made. The question that we have to ask ourselves is do we want sustainable advancements that are built on solid foundations, even at a slower pace, or do we want something now that is proved later to be more a case of smoke and mirrors.

In the UK they are picking up a minor trend that we hope will not be replicated here. The 2018 Hampton Alexander Review in the UK notes the following;

“It is time to call out the 75 at ‘One & Done’ boards that are dragging overall progress downwards. The 33% target is a collective effort and it is incumbent on every FTSE 350 listed company to play their part - get with the new norm - today one woman at the table, is little different to none!”

There is no doubt that the “One & Done” problem is going to be an issue for SA Inc., but how big is that problem going to be? Only time will tell.

One global factor that will be of interest is the role of institutional investors. Glass, Lewis & Co. is one of the most prominent proxy advisory services in the world with over 1,300 institutional clients. From 2019, Glass Lewis will generally recommend voting against the nominating committee chair of a board that either has no female members or has not adopted a formal written gender diversity policy.

Even bigger than Glass Lewis is Institutional Shareholder Services. ISS is a global company which covers approximately 44,000 meetings in 115 countries yearly, delivering proxy research and vote recommendations while executing more than 10.2 million ballots representing 4.2 trillion shares.

Under its updated guidelines, ISS will generally not recommend votes for the chair of the board committee which is responsible for director nominations, or chair of the board of directors if there is no such committee where the issuer has not disclosed a formal written gender diversity policy and there are no female directors on the board of directors. Importantly, in considering a written gender diversity policy, ISS takes the view that the policy should include a clear commitment to increase board gender diversity and measurable goals and/or targets denoting a firm commitment to increasing board gender diversity within a reasonable period of time. This appears to be the view of the future.

Those of you that know us are well aware that we stick strictly to business issues, however the recent

events around the JSE and Gender Based Violence are not going to go away in the near future. For that very reason getting Gender Mainstreaming right at board level and the associated pipeline is a vital cog in the overall wellbeing of South African society.

In conclusion my thanks go to the Institute of Directors South Africa for their continued association with this research and to Tuesday Consulting who is joining us. Tuesday are going to be assisting us with taking this research to the next level and moving us from the what's to the why's and the how's. Their support is most appreciated.



Colleen Larsen F. Inst. D.



As the challenges of doing business become more intense it is time to ensure we have the best and brightest minds at the boardroom table and beyond.

ANN CAIRNS

30% CLUB GLOBAL CO-CHAIR & EXECUTIVE VICE CHAIRMAN, MASTERCARD



2. THE 30% CLUB

The 30% Club launched as a campaign in the UK in 2010 and has since expanded to fourteen other countries/ regions. Accelerated progress has been achieved through the leadership of our Chair and CEO members. In addition to the critical recognition that better gender balance leads to better results, five factors created a replicable formula for success:

- A measurable goal with a defined timetable
- Supportive public policy that acknowledged that the status quo was unacceptable
- Change driven by those in power
- Openness to collaborate
- A concerted and consistent series of actions and programmes.

CHAPTER	MEMBERSHIP NO. AS OF 17 SEPT 2019
Australia	104
Brazil	17
Canada	232
GCC	106
Hong Kong	57
Ireland	239
Italy	94
Japan	40
Malaysia	114
South & East Africa	69
Turkey	39
UK	305
USA	81

* Chile has also recently launched.

Over 1,500 global members of the 30% Club include;

26 Chairmen of FTSE 100 companies; Peter Grauer, Chairman Bloomberg LP; Bob Bechek, Worldwide Managing Director Bain & Co., Warren Buffett, Chairman & CEO Berkshire Hathaway; Mike Corbat, CEO Citigroup and Leigh Clifford, Chair QANTAS Airways Ltd.

Notable Milestone

In June 2018, the U.S. chapter of the 30% Club announced that female board representation across its members is now above 30%. The FTSE 350 is on an agonising 29.9% with the JSE Top 40 on just under 20%.

30% Club Southern Africa

Business Engage Association NPC is a non-profit membership-based organisation established in 2005. Business Engage was appointed as custodian and launched the 30% Club Southern Africa on 11 September 2014 at a private dinner in Sandton with Rt. Hon. Baroness Scotland QC, who at that time was the UK Trade Envoy to South Africa, former UK Attorney General and is currently the Secretary-General of the Commonwealth, as the keynote speaker.

Apart from our long standing members, new members since the previous report include Illovo Sugar South Africa, Distell, Sasol, Sanlam, Santam, RCL Foods and BASF.

30% Club East Africa

Business Engage launched the 30% Club East Africa in Nairobi at the end of October 2018 and is currently developing initiatives in the region.

3. Reading this Report

In order to make comparisons between this year's report and that of last year we have included last year's figures in brackets after this year's figures.

This report is historical in nature. The reason being that the information is sourced purely from the Intergrated Annual Report of the various companies. Many companies have their year end as at 31st December which means that the report may only be published well into the subsequent year. As membership of the JSE is dynamic the listings of the companies change from time to time. The information contained in the report is correct as at the time of collating the information, errors and ommisions excepted.

4. WHY THIS RESEARCH?

This report is in response to the often-asked questions;

- “What are the opportunities for women on boards in South Africa?”
- “Why are there not more women on the boards of listed companies?”
- “Are there enough women of the right calibre to fill board positions as they arise.”

We cover where this research is leading us to in another section of this report. Suffice to say that more and more countries are taking notice of gender mainstreaming at the highest level, in whatever format. More and more stakeholders globally are taking an active interest in what the corporate world is up to, and finally more and more commentators and researchers are providing coverage.

As with the report published in 2017 the authors are at pains to point out that this report is intended to be constructive as opposed to a reproachful document. We must celebrate the good news and understand and dissect the not so good. We make no comment as to what we believe companies should be doing.

We noted last year that we are very blessed in this country to have numerous world class companies that are run by highly competent and respected individuals. We need to keep those existing leaders producing for the economy and society in general whilst simultaneously bolstering them with the new generation of leaders who hopefully will bring with them much needed balanced perspectives.





30% Club SOUTHERN AFRICA

www.30percentclub.org

The 30% Club is a group of Chairmen,
CEOs and Senior Partners voluntarily
committed to bringing more women onto
corporate boards because
it makes business sense.

Growth Through Diversity



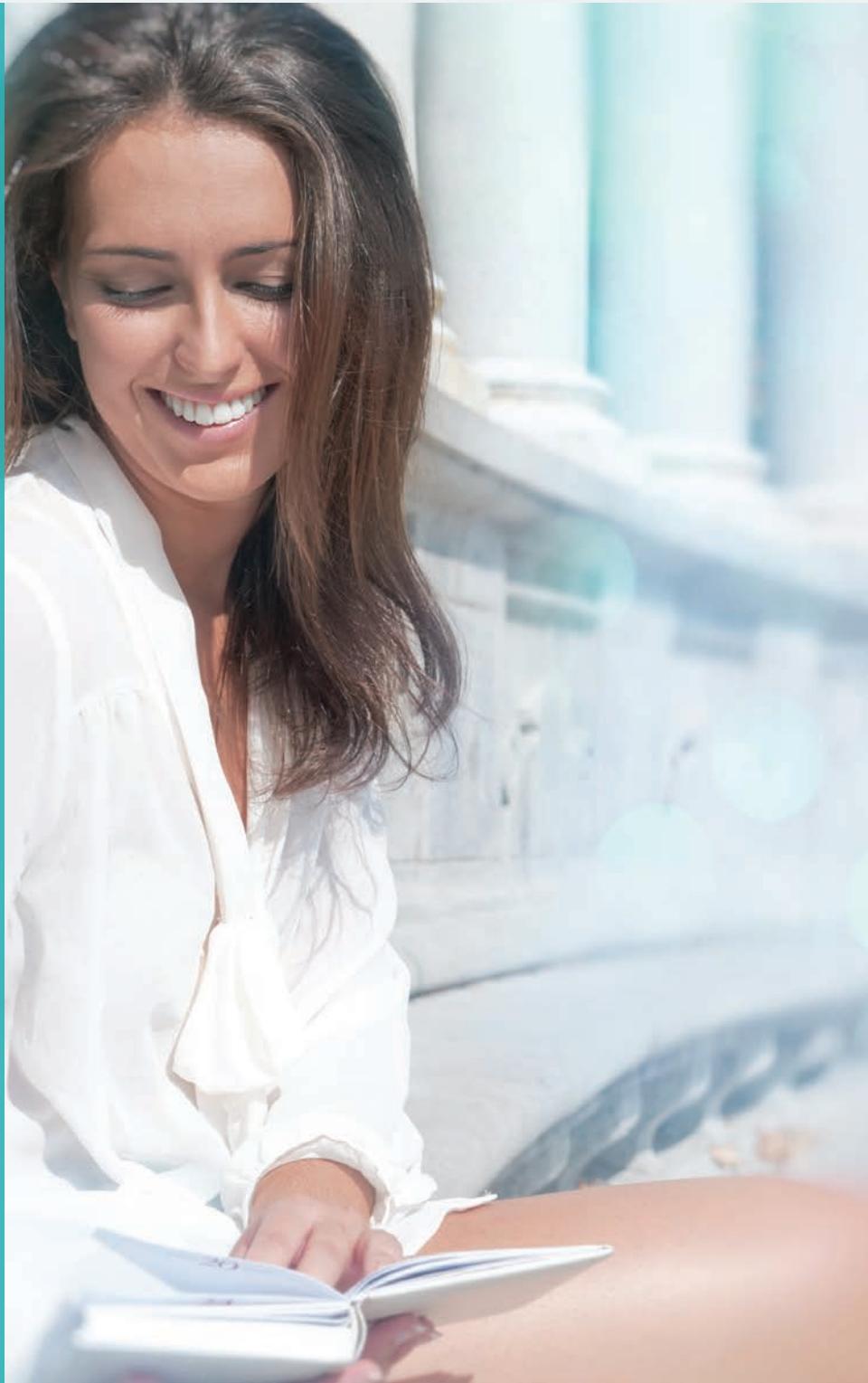
An initiative of

**Business
Engage**

For more information on the
30% Club Southern Africa please contact :
Colleen Larsen on 084 353 9865
or colleen@businessengage.co.za

PART 2

THE RESEARCH



5. Basis of this Research

This research focuses on two main topics:

- 5.1 If the board of JSE listed companies are adopting a board gender policy and whether they are reporting on such policy in terms of the JSE listing requirement item 3.84i (previously 3.84k and renumbered with effect from 19 June 2017) which states;

“the board of directors or the nomination committee, as the case may be, must have a policy on the promotion of gender diversity at board level. The issuer must confirm this by reporting to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, have considered and applied the policy of gender diversity in the nomination and appointment of directors. If applicable, the board of directors or the nomination committee must further report progress in respect thereof on agreed voluntary targets;

If the companies have adopted a gender policy at board level, what is the likely impact on women in the boardroom. In addition to last year, are we actually seeing movement in the boardroom which matches the stated aspirations of the companies at board level.

- 5.2 As a secondary consideration the research considers if there is any effect on the appointment of women to the board as a result of the rotation of non-executive directors in terms of the JSE listing requirement Schedule 10.16(g) which states -

In a new company, all the directors are to retire at the first annual general meeting. Thereafter, at least one-third of non-executive directors must retire at the company's annual general meeting (or other general meeting held on an annual basis), provided the meeting is not conducted in terms of Section 60 of the Act in respect of Main Board issuers. These retiring members of the board of directors may be re-elected, provided they are eligible. The board of directors, through the nomination committee, should recommend eligibility, taking into account past performance and contribution made.

If companies are rotating directors as above whether this is creating any opportunities for women on these specific boards.

6. Methodology

This report has been compiled from information publicly available in the form of company Integrated Annual Reports for the reporting period 1 January 2018 to 31 December 2018.

During the research period of this report there were 354 (365) companies listed on the main and AltX boards of the Johannesburg Stock Exchange. Note that this figure varies from time to time as new companies are listed and existing companies are either suspended or entirely delisted for whatever reason. There are 11 companies that were noted last year that have since delisted.

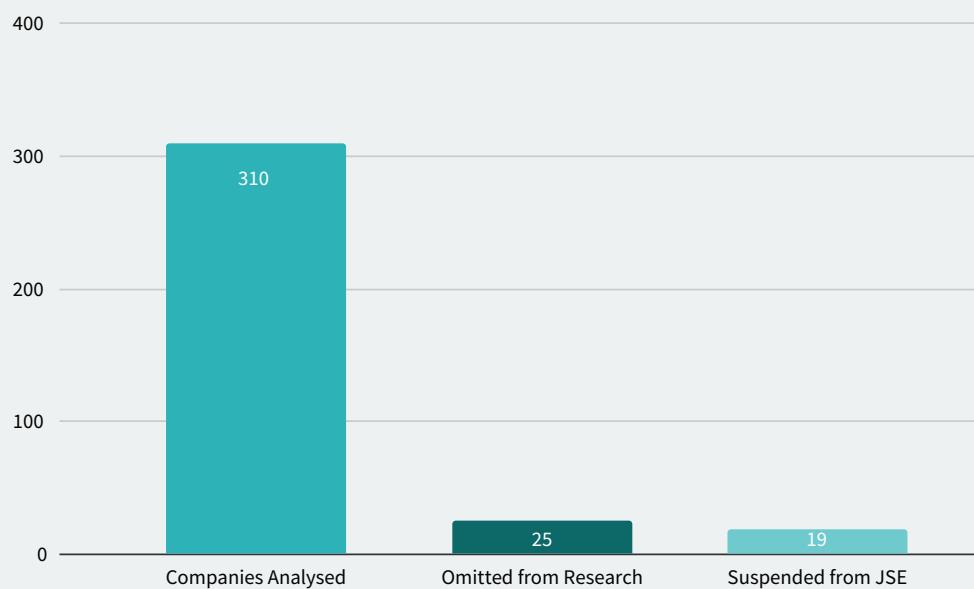
Subject to the qualifications below, these listed companies form the basis of the research. All newly listed companies will be covered in subsequent reports where not covered already.

Of the 354 companies noted above

- 19 were suspended at the time of compiling this report
- 20 reports could not be found by way of an internet search.
- 5 companies are included in reports published by other companies within the same group.

This resulted in 44 (98) companies being omitted from the research. This then left a total of 310 (267) companies analysed.

Total Companies

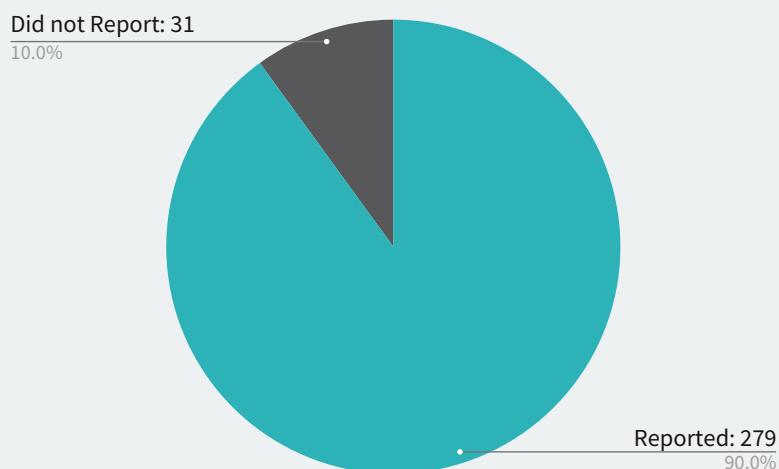


7. The Results

Companies Analysed

This year we analysed 310 companies (267). 31 (50) did not specifically report on gender at board level in 2018. At 10% (19%) of those companies analysed this is a significant reduction from last year. As noted last year some companies may report on what they are doing regarding gender issues in general, however they fail to comply with the JSE listing requirement per se. We would expect to see another significant drop next year and thereafter it may take a while for the “last man standing” to finally get with the programme.

Total companies analysed



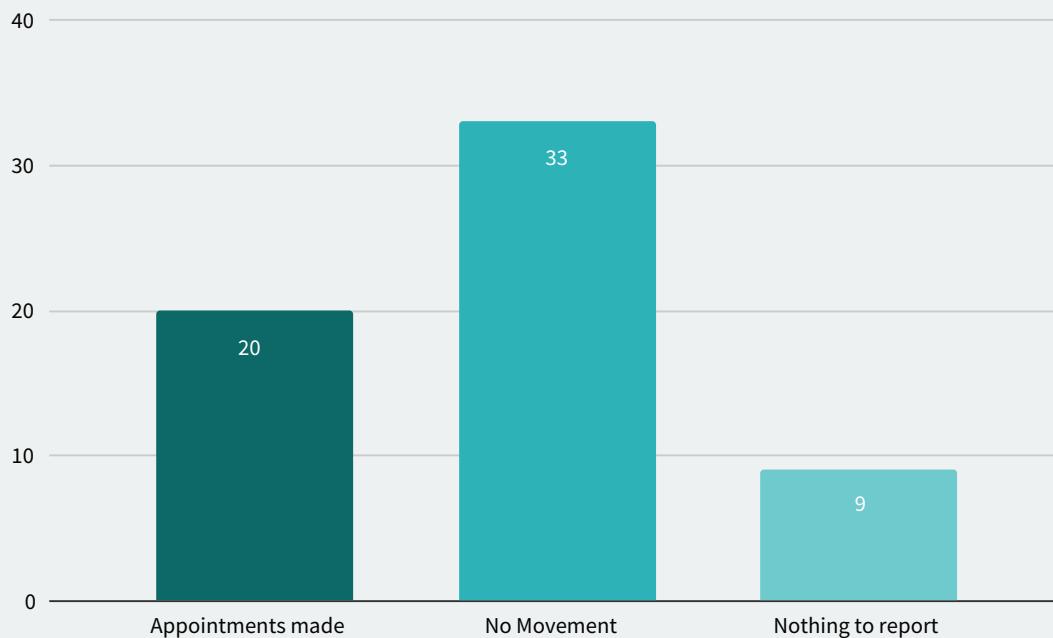
It is considered that for the second year as a requirement a 90% (81%) compliance rate is very good.

Opportunities for women on boards

Last year we reported that, in our opinion, there were 84 opportunities for women on 62 boards. Since then 25 female board appointments have been made during the year in 20 of these companies. (Exxaro is included as a net gain of 3 with 4 females appointed and 1 female resigned). In addition, there are another 6 positions still to be filled in 5 of these companies.

There has been no movement in 33 of the 62 companies noted. There is nothing to report in the balance 9 companies for a number of reasons. Some of these companies have since been delisted or their annual report has not been made available this year. In line with their separation, Barclays Africa Group will in future be recorded as ABSA Group.

Companies Analysed



Whilst the majority of these appointments appear to be as a direct result of the Board Gender Policy of the various companies there are a few that are the result of “director churn”. For example, Exxaro, PPC and Royal Bafokeng Platinum made multiple appointments during the year. We noted last year that the opportunities mentioned above assume that South African companies do not get caught in the “Golden Skirts” syndrome where a few, usually politically well connected, select women are appointed to multiple boards at the expense of other women. This does not seem to be the case so far.

New Opportunities for women on boards

In addition to the opportunities from last year it is assessed that there are an additional 51 opportunities in 45 companies. This means that since the advent of the JSE listing requirements regarding a gender policy at board level 135 opportunities have opened up. This excludes opportunities that may be forthcoming in the near future.

No opportunity

It is considered that there are no current opportunities for women at 104 (105) companies that reported. Whilst these numbers are almost identical with last year, in fact only 31 of the companies are featured in both 2017 and 2018.

There are a number of reasons as to why this should be so. These include;

- Targets noted have already been achieved.
- Appointment of female board members have been made regardless of whether targets exist or not.
- The board is satisfied with current gender mix.
- The board is satisfied with the experience and skill set of the current board members (and presumably can see no good business reason as to the need to change unduly).
- The board size does not warrant change.
- The report suggests for any other reason opportunities are unlikely.

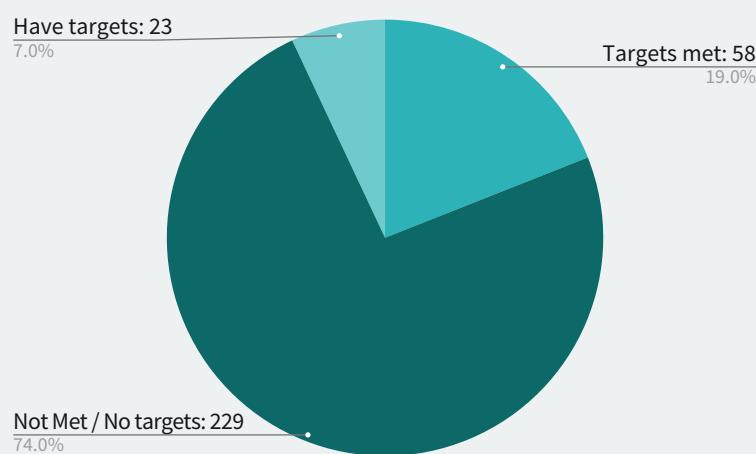
Gender Policy Linked to BBBEE

Whilst there has been more activity with companies linking their gender policy and race policy it is perhaps surprising that only a very small handful of companies have chosen to do so. It could have been anticipated that more companies would have taken this route.

Targets Already Achieved

It is noted above that 58 (37) companies have already achieved their targets in terms of their gender policy. It should be noted that where companies have a two tier target, when we refer here to the targets being met we are alluding to the first target noted. It is further acknowledged that companies may change their targets over time.

Targets



The position of Octodec Investments also bears noting. Their target was 25% women on the board by the end of 2017. They met that target with the appointment of Ms. Akua Koranteng. However, Ms. Koranteng resigned on 10 May 2018 to join Equities Property Fund Limited in an executive capacity, leaving Octodec short of their target again. We expect this scenario to play out a number of times in the near future until targets are comfortably exceeded.

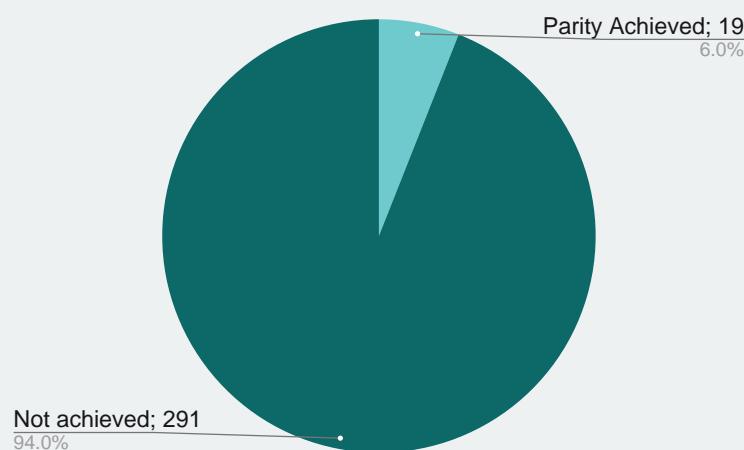
Targets Set

Over and above those companies that have already achieved their targets there are another 23 companies who have targets which they have set which have yet to be reached. It is pleasing that 17 of those have set targets of between 25% and 50%.

Parity Realised

19 (10) companies analysed have already achieved gender parity or better. Not surprisingly the JSE remains one of those. A further 35 (7) companies are close to achieving parity whereby the appointment of one female to the board in place of a male member will achieve such parity. We are not suggesting here that these 35 companies have any plans to achieve parity. To be clear a company is considered to have achieved parity even where there is an uneven number of board members and there is no gap in the split of members i.e. 6 males and 5 females on the board.

Parity



No women members on board

At the date of publication of their reports there were 30 (32) companies that we surveyed that still have no female members on their board. Whilst we surveyed more companies this year, 310 this year as opposed to 263 last year, the number of boards with no female directors is disappointing and certainly out of sync with global trends.

“One and Done”

This category was not mentioned last year. It has been occasioned by the Hampton Alexander Review referred to in the Foreword wherein a number of U.K. companies appear to have taken a “one and done” attitude. There are 67 possible companies surveyed who may fall into this category. It is not our intention to name these companies as, whilst they may only currently have one board member, we are sure that a number of them are merely on their journey and will not stay on one for a long time.

Communicating with your stakeholders

Perhaps surprisingly only 51 companies out of the 310 surveyed publish the gender policy and make it easily accessible on their website; and only a small number note their gender policy as being available on their website when they refer to the policy in their Integrated Annual Report. This is an area that companies may wish to improve on in future annual reports.



8. Director Rotations

As in previous years we have studied the rotation of directors during 2018. 214 companies have undergone 604 rotations with 30 directors not available for re-election. These rotations are a result of the JSE listing requirements, the company's Memorandum of Incorporation and the King Codes. As has been the case in our research into director rotations in 2013, 2014 and 2017 where directors make themselves available for re-election the board supports such a position.

What is of interest is the number of directors who have not decided to make themselves unavailable. As a number and a percentage this is much higher than in previous years.

These director rotations may be found at
www.businessengage.co.za

PART 3 CONCLUSION



9. Conclusion

In this the second year of the research we have again focused on what the companies have been doing as opposed to the why's and the how's. It is becoming clear that South Africa is generally in sync with international trends with regards to gender mainstreaming at the board level. That is, that the majority of boards now consider board gender diversity as core to their business. We postulated last year as to whether these JSE listed companies would be effecting such change without the nudge from the JSE. The answer is probably no. Then again if the question were to be asked - "Is this change more sustainable than being hard forced by government legislation?" - global anecdotes would suggest the answer would be yes.

As with any change there are leaders and there are followers. The research is suggesting that in this country we have enough leading companies that can spur on action in the others. Peer pressure is a wonderful thing.

We take a number of positives out of this report. Compliance with the listing requirements is quite high considering that it is only two years old. The companies appear, although not proved, that they are applying their minds to the issue in a sensible and mature manner and not just going through a tick-box exercise. We have to accept that when processes are followed properly, they by their very nature take time. Another strong positive is the diversity of the new female appointments themselves. The perception is given that the boards have found the candidates that aspire to meet the particular needs of the company. They are being appointed for their skill-sets, not for political capital.

What can we do better? We believe that if you are doing something positive then tell the world about it, in the correct manner of course. Having easy access to the policies of the companies is not as simple as perhaps it should be. On too many occasions you are led to feel like you need to have investigative journalist skills just to retrieve the information. There is only a limited amount of space in an integrated annual report so referring the reader to a website to give the complete detail makes so much sense.

Overall, let us take these strides that we have made so far and increase our collective Company Gender Intelligence which we describe as;

"The aptitude of an organisation to acknowledge the business case for gender mainstreaming and the ability to acquire and apply the necessary knowledge, skills and processes to harness such qualities."

We congratulate the leaders who are taking S.A. Inc forward as a country. When it comes to Gender Mainstreaming we can certainly hold our own when compared to other countries globally.

10. Future Research

When we started the research, we were at pains to point out that we wished to get the research started and establish a bench-mark for future research. We have now achieved that goal. After two years we are starting to have an understanding of the territory. We are also gratified with the interest that the corporate world is showing in the research. There is certainly a thirst for knowledge in this regard. It would be of interest to establish what spill over, if any, into non-JSE Listed companies is occurring.

It is our intention to review the results of the previous two years and reflect on where we go next. In this regard we will be interacting with our new partners Tuesday Consulting, along with the Institute of Directors South Africa. We certainly intend to dive deeper into the board environment.

What we are sure of is that it is not our intention to continue with the research into the director rotations. After four years of study we have proved conclusively that the rotation of directors has value for many reasons, that's why the King Codes and others are so keen on them but providing opportunities for women on boards is not one of them. Once companies have decided to appoint a new director, they generally seem keen to keep them, which is of course quite reasonable.

**Get rewarded for your Gender Diversity Initiatives...
ENTER NOW, there is no charge to enter**

**The 8th Gender Mainstreaming Awards
3 September 2020**

www.genderawards.co.za

Open to all private sector companies and government departments that have started, on the road with or succeeded in gender diversity programs

Closing date for entries : 29 June 2020; E-mail : events@businessengage.co.za



Gender Mainstreaming Champion 2019 : Coface South Africa

An initiative of

**Business
Engage**



In association with



PART 4

ANNEXURES



Annexure A

Board Level Gender Policy Comments noted in Annual Reports

Annexure B

Opportunities for Women on Boards 2018

Annexure C

Update on Opportunities for Women on Boards 2017

Annexure D

Targets Already Met

Annexure E

Parity Achieved / One move away from Parity

Annexure F

Targets Set

Annexure G

No Apparent Opportunity

Annexure H

Companies not reporting a specific gender policy

Annexure I

Companies not considered in this report

Annexure J

Director Rotations

INVESTING IN PEOPLE

Tuesday Consulting is rooted in Local, Social, Conscience. Simply put, in our world it means we recognise the need to be acutely socially aware, commercially astute and we have a burning desire to develop a sought-after culture of South African and ultimately African excellence. Tuesday Consulting is one of the co-founding members of the 30% Club Southern Africa.

Our purpose is derived from 'Investing in People' - so that our undertakings help build not only the companies and individuals we serve, but ultimately the communities around us. This underpins our culture. We recognise it as multi-faceted and apply it equally in our own lives, those of our corporate clients, our candidates and our business partners spanning the Human Capital Ecosystem.

OUR SERVICES

Executive search; targeted research; talent advisory; career development.

Our suite of services empower clients to identify and retain the right people for their organisation and culture.

The research model we offer adds benefit by way of qualitative market intelligence, insights into remuneration levels and skills availability, plus competitor awareness and trends in talent management and organisational design.

OUR EXPERTISE

We focus at the Board; Executive; Senior Management and Specialist levels.

We build deep knowledge and relationships by investing in ongoing research within each sector, including: financial services; Consumer; Retail; ICT; Education; FMCG.

OUR CLIENTS

By partnering with clients across industries in which we specialise and have superior understanding, we become true ambassadors, sharing insights that will enhance employee value propositions.

OUR PEOPLE

Our professional team are subject matter experts with a solutions based approach to assignments.

Tuesday Consulting is characterised by individuals with strong ethics, respect, trust and the motivation to deliver the best possible service to our clients.

We live by the ethos of 'investing in people' and are passionate about building a business recognised for excellence and having a genuine Local, Social, Conscience.



Wendy Spalding is a Director of Tuesday Consulting with more than 20 years' experience. Her specialities include executive search; identifying and engaging with highly skilled talent pools; providing talent mapping research and critical intelligence and career coaching. She is committed to the development of education and is a Director and Deputy Chair of School Aid South Africa.



T +27 11 325 2802

E info@tuesday.co.za

in Tuesday Consulting

M T W T F



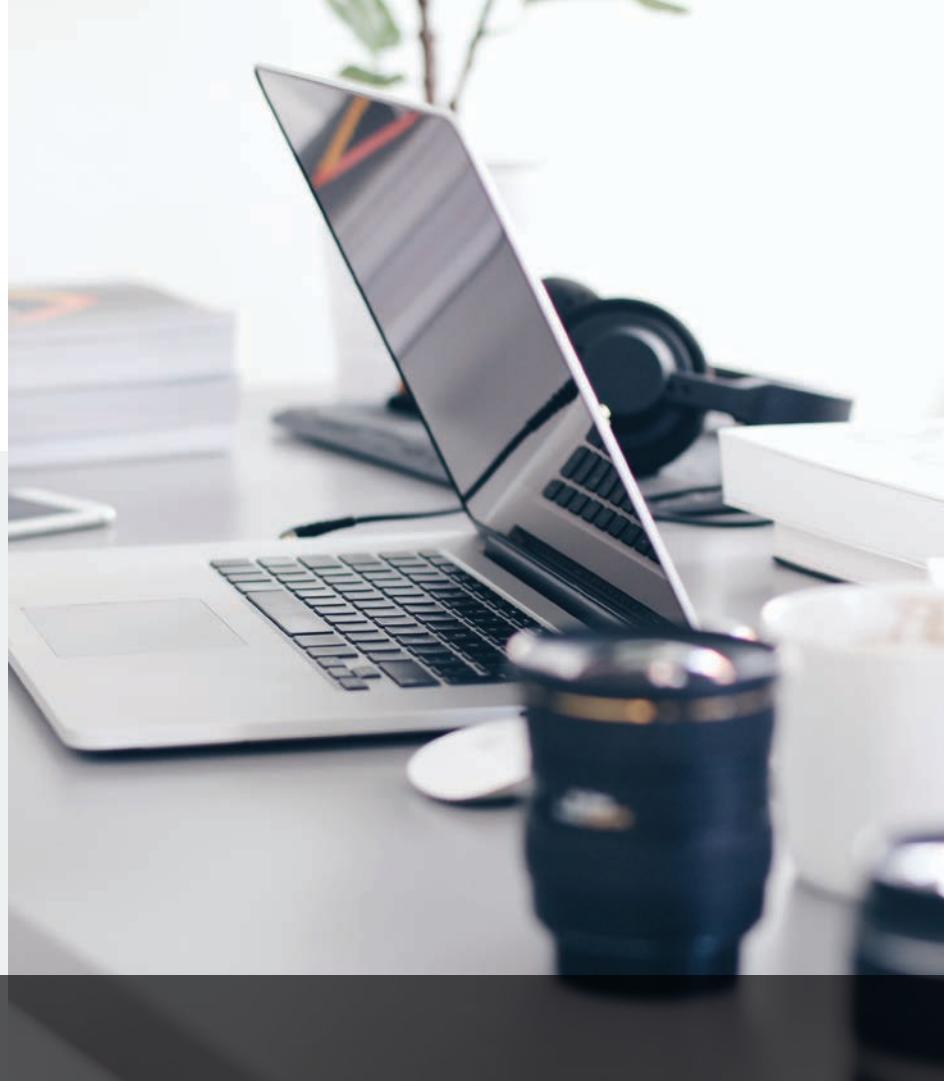
30% Club SOUTHERN AFRICA

GROWTH THROUGH DIVERSITY

www.30percentclub.org

An initiative of Business Engage

THE STATUS OF GENDER ON JSE LISTED BOARDS 2018



GET IN TOUCH

MALCOLM LARSEN



084-308-2645



malcolm@businessengage.co.za



www.businessengage.co.za

www.30oercentclub.org

www.genderawards.co.za



INSTITUTE OF DIRECTORS
SOUTH AFRICA

**Business
Engage**

TUESDAY
CONSULTING

WesBank