

MEDIA RELEASE

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TIME FOR TARGETS: CHIEF EXECUTIVE WOMEN CALL FOR GENDER BALANCE TARGETS FOR EXECUTIVE LEADERSHIP ROLES

8 September 2021: Chief Executive Women (CEW) says gender targets are needed to improve the number of women in executive leadership roles in corporate Australia, following the release today of the *2021 Chief Executive Women Senior Executive Census* which shows just 6% of the top ASX300 companies have women CEOs.

The *CEW Census* tracks the representation of women in senior positions of Australia's biggest public companies and the latest results show little progress since it began five years ago.

CEW President Sam Mostyn said Australia needs the full depth of talent available to it by setting gender balance targets for executive leadership roles to give the country the best economic recovery from the pandemic.

"These results are a wake-up call to Australia's business leaders, political leaders and investors – now is the time for action. Setting gender balance targets for executive leadership teams, with a specific focus on roles with profit and loss responsibilities together with a commitment to developing the pipeline for those roles, will ensure women are represented at critical decision-making tables. The *CEW Census* data consistently and disappointingly shows us that without intentional action by leaders for executive leadership teams, change simply hasn't happened. That's why it's now time for targets," said Ms Mostyn.

"We know gender-balanced organisations perform better. It is notable that the top performing companies, the ASX50, have greater representation of women in senior roles. They show us that gender balance is achievable. We must set ambitious targets that are accountable and can be tracked to build the pipeline for more women to lead businesses, which will benefit our economy."

Key findings of the 2021 *CEW Census* include:

- Only one out of 23 CEO appointments in the ASX300 in the 2021 reporting period was a woman.
- Only 18 women CEOs in the top 300 ASX-listed companies (6.2%).
- ASX200 trend data shows the percentage of women CEOs in the ASX200 is the same as it was when the Census began five years ago in 2017 (5%).
- Women make up a quarter (26%) of roles on Executive Leadership Teams – a figure *CEW Census* data shows has stalled in recent years (25% for ASX200 in 2019).
- Most CEOs (78%) in 2021 were appointed from line roles with profit and loss accountability and women make up just 14% of those line management roles across the ASX300.
- Women are more often employed in senior functional roles such as HR, Corporate Affairs, Marketing, Sales, Legal, Risk, Strategy or Technology which are not traditional CEO pathways.
- It will take 65 years or until 2086 before women make up 40% of line roles in executive leadership teams, based on *CEW Census* trends from the last five years.
- The data shows the higher the organisation is on the ASX, the better the representation of women.
- The proportion of companies that have set targets of at least 40% of each gender in senior roles is significantly higher in the ASX100 (50%), compared to the ASX300 (29%).
- ASX50 companies perform better for all metrics on women's representation, particularly for CFOs – with women making up 38% of CFO roles at ASX50 companies compared to 25% for ASX100.

It is the first time the *CEW Census* has reported on whether companies have gender diversity leadership targets and if those companies are meeting their intended targets.

"We believe that targets can be transformative, if they can be tracked and leaders are accountable for delivering them. Investors are also increasingly demanding greater gender balance and we believe targets are part of this story," Ms Mostyn said.

“As we continue to navigate the impacts of the COVID-19 pandemic, Australia must use all of its available resources. Australian women are the most educated in the world, but *CEW Census* data shows we’re not making the most of their talent and our investment in their education and career development. Maximising how we make use of women in the workforce and in leadership positions is a lever we can pull right now to help Australia prosper post-COVID,” said Ms Mostyn.

Agathe Gross, Partner at Bain & Company said, “After five years of tracking this data, it’s clear the under-representation of women in executive team line roles must be improved. Our evidence shows that more than any other role, line roles feed into CEO roles. With 62% of ASX300 companies not having any women in executive team line roles, that pipeline is incredibly hard to pass through to reach the top.”

The *CEW Census* is supported by CEW Partners Bain & Company, HESTA, 40:40 Vision, Melior Investment Management and Spencer Stuart. CEW’s Thought Leadership Partner is ANZ.

The report is available at: www.cew.org.au.

Additional quotes from *CEW Senior Executive Census* partners:

“When it comes to running businesses, it’s true that what gets measured gets managed. This is why companies must set targets if they are serious about better gender diversity in their C-suite. HESTA is proud to be the founding investor for 40:40 Vision, which aims to achieve gender balance in ASX200 executive teams by 2030. Investors are encouraging companies to set targets and make their progress public. Creating accountability is how we’ll shift the dial on this very important issue.”

Debby Blakey, CEO HESTA and Chair of 40:40 Vision Steering Committee

“We believe listed companies have a key role to play in contributing to gender equality, given the around two million workers that the ASX300 represents. Melior applies a gender lens investing focus to our investment approach, as we believe companies with gender balance also have the potential for superior investment returns.”

Julia Bailey, Head of Advocacy Strategy, Melior Investment Management

“It’s promising to see more women in ASX200 CFO roles, 20% compared with 16% last year, but Australian companies still have a lot more work to do to increase the number of women in line leadership roles. Robust succession planning processes starting with rigorous assessment and development of internal talent need to include more women. This will increase the odds of having a bigger and more diverse leadership talent pipeline and CEO-ready leaders available when needed, particularly in a highly competitive global talent market.”

Kerri Burgess, Board and Leadership Advisory Practice, Spencer Stuart

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