

2019 RANKING

Fluctuations in companies' gender equality scores & ranking

The Equileap Gender Equality Indices are based on an annual re-ranking of more than 3,500 companies with a market cap of more than USD 2 billion. Equileap rates each company individually based on its gender equality performance and assigns a rank based on its score. As such, the final rank of a company is determined by the gender equality performance of companies within our universe.

We attribute some fluctuation to the lagging effect of legislation and year-to-year variations in company performance. Additionally, this year, we observed a general improvement by the top-performing companies: the average scores in our Top 100 and Top 200 increasing markedly (by +4.7 and +5.2, respectively). As such, despite improving or maintaining their score, some companies were overtaken by those making greater strides towards workplace gender equality.

Signs of progress

Overall improvement: This year saw a significant improvement in companies' performance: the median score among our Top 100 was 60.5% - up from 55.3% in 2018. For those invested in achieving greater gender equality, this is a promising sign.

Outperformers: Some companies are improving faster than others, which contributes to fluctuation in our ranking and, in turn, the composition of the indices underpinned by our data. This is, perhaps, unsurprising considering how much room for improvement remains: the top-ranked company in 2019, Diageo PLC (+9.6), scores 73.8%.

More settled data: Promisingly, this year, we observed less variation among the top-performing companies, with an average absolute deviation of 3.7 for the Top 200 (compared with 4.2 in 2018). However, as we continue to track changes in companies' workplace gender equality, some year-to-year fluctuation is both expected and desired.

Greater engagement: Increased focus on corporate gender equality is leading to greater engagement with companies. The Equileap scorecard is becoming a standard in the corporate sector and an increasing number of companies are paying attention to disclosing data in order to be ranked by Equileap. In 2019, our questionnaire response rate went up by 54%. For example, Canadian Imperial Bank of Commerce (+31.9), one of our biggest movers, completed the questionnaire for the first time.

Understanding fluctuations

Declining performance: This year, a few companies regressed. For example, Redrow PLC (-9.4), disclosed a widening pay gap, while Campbell Soup Company (-5.3) reported a decline in female representation in their senior management. Such resulting drops in scores might discount companies from (further) inclusion in the indices, especially when comparing against companies that have made great improvements.

Expired data: To measure progress, we only utilise recent data. In 2019, IBM (-13.3) scored zero for gender balance in the workforce and senior management as their latest headcount data is from 2016 and they have not published more recent data. While our methodology allows consideration of data that is more than 12 months' old (acknowledging the variety in reporting cycles), we always use the most recent publications and encourage companies to remain transparent.

Macro influences: Legislation impacts scores at a country-level and can magnify fluctuations in our company ranking. Since 2012, Australian companies have been required to report on their gender equality performance. This is likely a key driver of the steady improvements we are observing: in 2019, 25% of our Top 100 were Australian listings - up from 20% a year earlier. As France, Ireland, and the Netherlands all prepare to mandate gender-specific disclosures, we anticipate both accelerated progress towards gender equality in these countries and, with it, some corresponding fluctuation in our ranking.

Idiosyncratic changes: Corporate actions can cause outsize fluctuations in scores. Since our 2018 rebalancing, for example, Praxair Inc and Linde AG merged to form Linde PLC (-10.7), causing their score to swing as the consolidated entity rebaselines. Similarly, adjustments in what or how companies report can impact year-to-year scores, especially if the most recent disclosures no longer align with Equileap's established gender-performance criteria.

Expanding coverage: Our dataset expanded by 10% from 3,206 companies in 2018 to 3,519 companies in 2019 with full coverage, due to market cap increases. Newly researched companies can prove to be relatively good performers on gender equality and contenders for inclusion in the indices. For example, Moneysupermarket.com Group PLC was not part of the 2018 universe due to its market cap and is this year securing a spot in Equileap's Top 100 with a score of 57%.

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