

## Why diverse leaders are essential for the energy industry

### Improving performance

50%

higher profitability where women make up at least 15% of senior managers compared to less than 10%<sup>1</sup>

21%

above-average more likely to achieve above-average profitability if companies are in the top quartile for diversity on their executive teams<sup>2</sup>

3.1%

excess annual returns 3.1% excess annual returns in companies with at least one female director compared to an all-male board<sup>3</sup>

66%

Higher return on capital Higher return on capital: 66% For companies with the most women on a board compared to the least<sup>4</sup>

### Better Decision Making

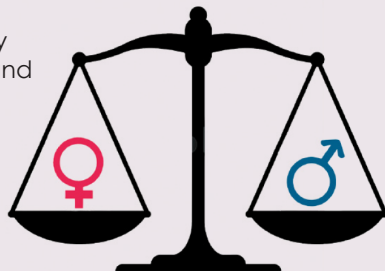
Different perspectives and experiences prevent 'group think' and bring new thinking<sup>5</sup>, essential for the energy transition. Companies with above average diversity on their management teams report 19% higher innovation revenue.<sup>6</sup>



### Achieving better corporate governance and ethics

Women's board representation is positively associated with CSR and Social Reputation<sup>7</sup>.

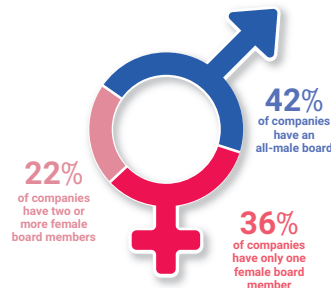
Just one female on the board cuts the risk of going bust by 20%<sup>8</sup>



## What are the numbers telling us?

Progress on gender diversity in the UK energy sector is slow. As at Q1 2019, women still occupy only 16% of board seats and 6% of executive board seats; and 42% of the top energy companies have no women on their board at all.<sup>9</sup>

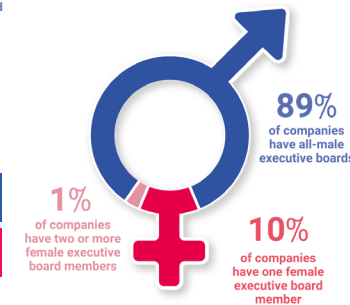
ALL BOARD SEATS  
in the top 80 UK energy companies\*



42% of the top UK energy companies have all-male boards

Only 16% of board seats are occupied by women

EXECUTIVE BOARD SEATS  
in the top 80 UK energy companies\*



89% of the top UK energy companies have no female executive directors

Only 6% of executive board seats are occupied by women

The Davies report (2015) recommends that FTSE 350 boards have at least 33% women by 2020 and Hampton-Alexander (2016) recommends the same for FTSE100 executive pipelines (executive committee members and their direct reports).

\*Energy companies either listed on the London Stock Exchange or having a head office in the UK.

## Do you? Are you? Can you?

What have you done to examine what changes are possible in your recruitment and promotion processes to remove as much bias as possible and truly appoint the best person?

### SETTING GOALS

Do you have gender diversity targets for senior managers and have you linked them to your growth strategy?

### TRACKING & REPORTING

Are you tracking your data and reporting on gender diversity internally/externally?

### MENTORING / SPONSORING

Are you mentoring and sponsoring high-potential women?

### BREAKING DOWN BARRIERS

Are you putting in place the workplace policies and practices that are needed?

### LEVELLING

Are you compensating for the different claims men and women make for their own competence and experience?

### APPOINTING

Have you appointed any women to your board or other executive committees?

### LEADERSHIP

Are you driving change by setting a good example and inspiring others?

## Sources

### 1. Credit Suisse 2014

**CS Gender 3000: Women in Senior Management**

<https://www.credit-suisse.com/corporate/en/research/research-institute/publications.html>

### 2. Mckinsey 2018

**Delivery through Diversity**

<http://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

### 3. Credit Suisse 2016

**CS Gender 3000: The Reward of Change**

[https://www.credit-suisse.com/corporate/en/media/news/articles/media-releases/2016/09/en/csi-gender-3000.html?t=690\\_0\\_5946049839258194](https://www.credit-suisse.com/corporate/en/media/news/articles/media-releases/2016/09/en/csi-gender-3000.html?t=690_0_5946049839258194)

### 4. Catalyst 2007

**The Bottom Line Corporate Performance and Women's Representation on Boards**

<https://www.catalyst.org/research/the-bottom-line-corporate-performance-and-womens-representation-on-boards/>

### 5. Women on boards 2011

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31480/11-745-women-on-boards.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31480/11-745-women-on-boards.pdf)

### 6. Boston Consulting Group 2018

**How Diverse Leadership Teams Boost Innovation**

<https://www.bcg.com/en-gb/publications/2018/how-diverse-leadership-teams-boost-innovation.aspx>

### 7. Byron, K and Post, C 2016

**Cited in CIPD June 2018 Diversity and Inclusion at Work: facing up to the Business Case**

[https://www.cipd.co.uk/images/diversity-and-inclusion-at-work\\_2018-facing-up-to-the-business-case-technical-report\\_tcm18-47062.pdf](https://www.cipd.co.uk/images/diversity-and-inclusion-at-work_2018-facing-up-to-the-business-case-technical-report_tcm18-47062.pdf)

### 8. Davies Report 'Women on Boards' 2011

**Citing research by Professor Nicholas Wilson, Leeds University Business School**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31480/11-745-women-on-boards.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/31480/11-745-women-on-boards.pdf)

### 9. POWERful Women 2019

**Board Statistics**

<http://www.powerfulwomen.org.uk>

## Our Objectives

**40%** of energy company middle management to be female by **2030**

**30%** of executive energy company board members to be female by **2030**


- Campaigning and Reporting
- Supporting women in their careers
- Practical support to increase gender diversity

**"If companies fail to have diversity at the top of their business they are missing out on the full talent available to them."**

*Business Secretary Greg Clark, on the launch of POWERful Women's Energy Leaders' Coalition, May 2018.*

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**POWERful WOMEN**

**Why gender diversity is important for business**