

TOOL 1.7

Gender Diversity Board Assessment⁵⁴

- » **GOAL:** Assess board gender diversity
- » **TARGET UNIT:** Executive Board

A stocktaking of gender representation at the executive board level can help determine what action is necessary to strengthen gender diversity. This exercise should examine the board's current gender composition. It should also look at the ways in which new board members are selected and the frequency with which new directors are chosen. In addition, it should examine the board's operational policies and procedures to evaluate women's ability to participate in board activities.

An independent consultant should conduct the stocktaking exercise and present the results to the board. The company and its shareholders should have access to the results, as well as to action plans that address issues identified.

Here are some suggested questions to include in a board stocktaking exercise on gender.

On Board Composition:

- What is the ratio of women to men on the board in executive and non-executive positions (including chair, deputy chair, treasurer)?
- What is the ratio of women to men in decision-making positions on the board?
- What is the ratio of women to men on the board?
- How long has each member been on the board?
TIP: Map change in gender diversity over time (for instance, at five-year intervals). Compare with board performance and company performance over time.
- What are the individual qualifications/backgrounds of board members?

On Board Operating Procedures:

- Is there a policy on board gender diversity?
- How often is board performance assessed?
- How are board members' performance measured?
- Does the nominating committee (or the committee responsible for ensuring gender diversity) have a clear reporting obligation to the board?

⁵⁴ This tool was adapted from a range of existing board checklists, including the Australian Institute of Company Directors' Checklist for Assessing Board Composition, Sydney: AICD, 2016, and draws on resources including International Corporate Governance Network, [ICGN Guidance on Gender Diversity on Boards](#), London: ICGN, 2013.

On Protocols for Replacing Board Members:

This is a qualitative assessment of how the board is composed, whether there is impartiality in board member selection, and how key skills are evaluated.

- How often are new board seats available?
- Are there term limits?
- If there have been any changes, such as moving from no term limits to term limits, how has this changed board composition and impacted company performance?
- What is the protocol for selecting new members?
- How diverse are the networks and mechanisms through which new candidates are considered and selected?
- Is there gender bias or imbalance in the networks/avenues through which potential candidates are identified?
- Does the board have in place a skills matrix to identify and address any skills gaps through board member recruitment?
- If the skills matrix exists, how often is it updated?

By gathering responses to these questions, companies will have a better overview of the level and extent of the current board's gender diversity and whether there are policies or board self-assessments in place to support increased gender diversity. Analysis of the results will highlight gaps and reveal areas to address, monitor, and sustain.