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Valuing a diverse workforce – who is walking the talk?

Investors and portfolio managers are increasingly looking for companies that incorporate environmental, social and governance (ESG) values and principles into their business.

Promoting diversity and inclusion (D&I) within the workforce is a major ESG value – and a growing trend.

Numerous research studies in the past few years have demonstrated that a company with a workforce that reflects the community has a better chance of producing superior financial results – and rewarding investors.

In today's global marketplace, corporations and industries need to encourage gender, ethnic and other forms of diversity to ensure they are tapping a broad spectrum of ideas, skills and talents. "Group think" is now a huge risk factor.

Governments are seeing the need for D&I in business — and taking legislative action, such as mandating a quota of women on corporate boards. More companies are reporting on their efforts to diversify their boards and labor force, but actual progress can be elusive.

Refinitiv encourages organizations to be as transparent as possible on their D&I practices and efforts, to create a working environment that stimulates diversity in thinking and innovation, which will more effectively represent the colorful palette of customer needs and preferences. This in return will translate into superior financial performance.

Refinitiv's ESG database can illuminate D&I trends that can inform investment strategies.

The Refinitiv Diversity & Inclusion Index highlights the 100 most diverse and inclusive companies globally. In this report, we have looked at the database to see where D&I results and trends are headed among companies, industries, geographic areas and countries.

This report analyzes corporate transparency and performance over five years on some of the metrics which make up our Diversity & Inclusion ratings.



DIVERSITY PILLAR

Board gender diversity (%)
Board member cultural diversity (%)
Women employees (%)
New women employees (%)
Women executive employees (%)
Women managers (%)
Diversity process (Y/N)

Diversity objectives (Y/N)



PEOPLE DEVELOPMENT

Internal promotion (Y/N)
Average training hours (numeric)
Management training (Y/N)
Career development processes (Y/N)
Employee satisfaction (%)
Skills training of employees (Y/N)
Training costs per employee (\$)



INCLUSION PILLAR

Flexible working hours (Y/N)
Day care services (Y/N)
Employees with disabilities (Y/N)
Hrc corporate equlaity index (numeric)
HIV/Aids (Y/N)



NEWS AND CONTROVERSIES*

Diversity and opportunity Controversies (numeric)

Wages or working conditions
Controversies (numeric)

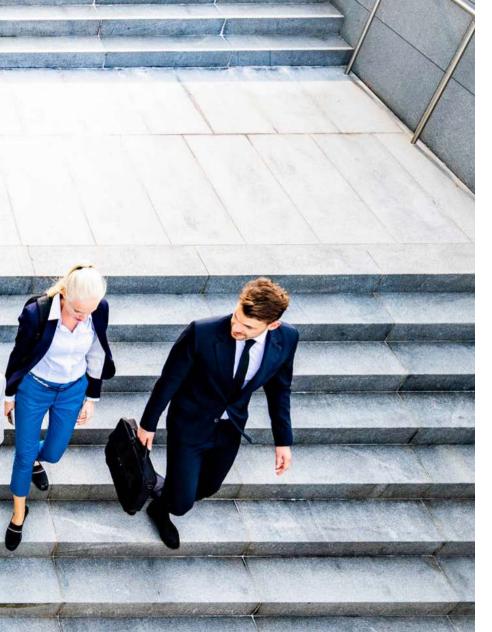
*Note - We also include news and controversies published since the last fiscal year company update. These are two additional data points for the same news and controversies measures shown above but in a more recent time

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BOARD DIVERSITY



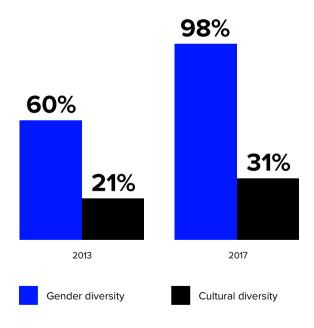


Board diversity

The Refinitiv ESG database reveals that there has been an extremely large increase in companies reporting on the gender diversity of their boards of directors. The growth in the level of transparency is impressive.

However, far fewer companies report on the cultural diversity of board members. Our database defines cultural diversity as the percentage of board members who have a cultural background different from the location of the corporate headquarters.

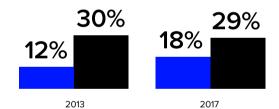
COMPANIES REPORTING ON BOARD DIVERSITY*



Board diversity

Although more companies are reporting on gender diversity, the data shows that the actual membership of boards is more culturally diverse than gender diverse. Women account for about 18% of board memberships, while culturally diverse directors make up nearly 29%.

BOARD MEMBERS*







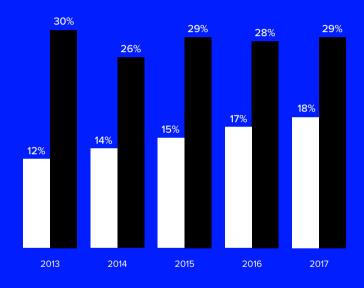
BOARD TRENDS

Over the last five years, the number of companies reporting on gender diversity on boards has increased by 64% while the number of females on boards has increased by 47%.

Will the focus on reporting translate into more gender-balanced boards or is setting measurable targets of performance the requirement to see significant improvements?

As we study the statistics on female board members, it should be kept in mind that women are often appointed to multiple boards, a concerning trend since this leads to members being overworked rather than truly developing and promoting diverse talent to the board.

GENDER AND CULTURAL DIVERSITY TRENDS IN BOARD MEMBERSHIPS*



Gender Culture

ARE BOARDS BALANCED ACROSS REGIONS?

Regional view – gender and cultural diversity

Europe is leading the way on gender diversity of boards, with 26% female membership. In 2011, France mandated that women make up at least 40% of all CAC 40 boards by the end of 2017. Germany and Italy have also established quotas on gender diversity among corporate directors. Japan is at the bottom, with just 5% female membership, which is not representative of the Japanese (and global) general population (about 50% female).

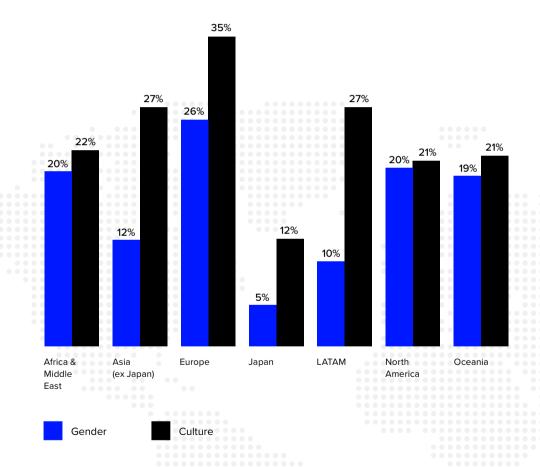
Europe also leads in board cultural diversity, at 35%, with Latin America next at 27%. Japan, again, brings up the rear with 12% of its board membership being culturally diverse.

At Refinitiv, we are doing more than just collecting data on these trends.

Refinitiv has committed to three global sustainability pledges and targets, to hold ourselves to account on our sustainability commitments.

We pledge to reflect and support the communities where we operate. One way we plan to do this is to have a 40% share of women in senior leadership roles. Like many companies with a 40% target, we believe that a diverse workforce and leadership team will allow us to be more innovative and serve our customer base more effectively.

BOARD GENDER AND CULTURAL DIVERSITY BY GEOGRAPHIC REGION*



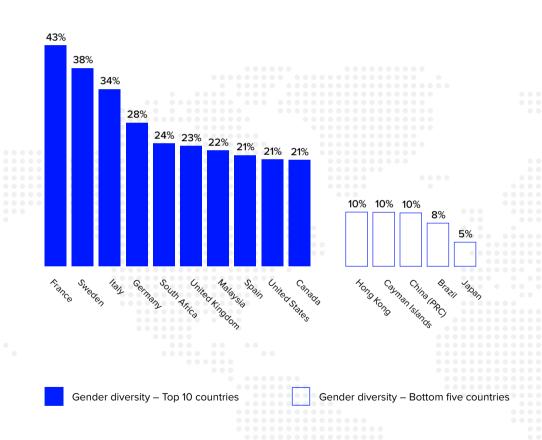
LEADERS AND LAGGARDS - WHICH COUNTRIES HAVE THE MOST DIVERSE CORPORATE BOARDS?

Gender diversity

France is the only country which meets the 40% target that is referenced throughout many company sustainability commitments. There is no European representation in the bottom five countries — showing the deep commitment throughout the EU to gender diversity.

Our database includes more than 400 Japanese companies reporting on gender diversity of employees. As we saw in the previous chart, in Japan, women represent just 5% of board members.

PERCENTAGE OF GENDER DIVERSITY BY COUNTRY*



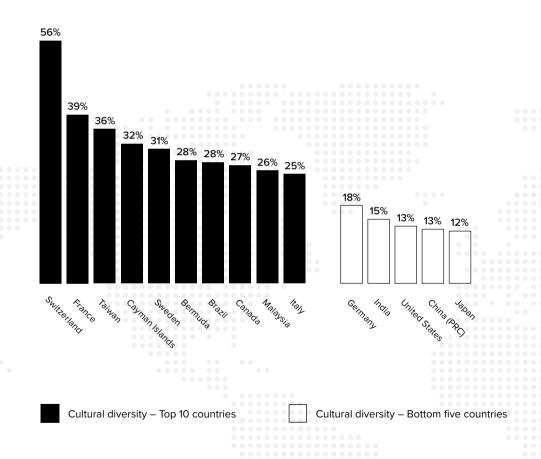
Cultural diversity

Switzerland tops the list of countries with culturally diverse boards. The country has three major official languages (French, German, Italian) and a relatively multi-cultural population.

France is the only country that has greater gender diversity than cultural diversity on boards, which is perhaps not surprising due to the official quota. However, the difference is relatively small at about three percentage points.

Surprisingly, the U.S. lands in the bottom five countries based on cultural diversity of company boards.

PERCENTAGE OF CULTURAL DIVERSITY BY COUNTRY*



ARE TRADITIONALLY FEMALE-DOMINATED INDUSTRIES SHOWING CONTINUOUS IMPROVEMENTS OVER TIME?

Gender diversity

Although more and more women are being represented across sectors, we still see severe underrepresentation of female board members in industries that have been traditionally male-dominated.

FEMALE BOARD MEMBERS BY INDUSTRY*

	2013	2014	2015	2016	2017	% CHANGE FROM 2013 - 2017
Software and IT services	27%	25%	27%	28%	28%	2%
Applied resources	28%	31%	30%	32%	27%	-3%
Utilities	35%	27%	28%	26%	27%	-22%
Banking and investment services	28%	23%	27%	27%	27%	-6%
Telecommunications services	21%	21%	26%	27%	26%	28%
Insurance	30%	21%	28%	24%	26%	-15%
Transportation	23%	23%	23%	22%	25%	10%
Real estate	24%	20%	25%	25%	25%	4%
Food and beverages	26%	25%	26%	23%	24%	-7%
Retailers	35%	24%	26%	24%	23%	-32%

When looking at the trend over five years, we see a mixed story. Considerable decreases in the number of women on boards can be seen in the highlighted industries – utilities, insurance and retailers.

Out of the 23 industries in our database that have reported enough data to get an accurate picture of gender on the boards, 14 industries have a declining number of women on the boards, concerning if firms are trying to represent the customers they serve.

EMPLOYEES AND MANAGERS

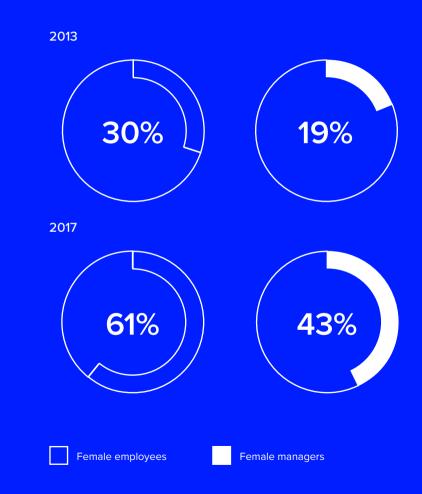


The number of companies reporting on gender diversity as different corporate layers has increased, but there is still a lot of room for improvement

It is critically important for companies to develop diverse talent from within the organization and groom the future leaders of the business. It is also a strong indicator for investors that illustrates and differentiates true corporate leaders on D&I. Refinitiv encourages corporate disclosure and transparency on these metrics to allow investors to more accurately assess performance.

Focusing on diversity at the top exclusively is not sustainable and companies that are serious about creating and flourishing diverse workplaces should be making progress at all levels of the corporate ladder.

COMPANIES REPORTING ON FEMALE EMPLOYEES/MANAGERS*





PERCENTAGE OF FEMALE EMPLOYEES AND MANAGERS

Despite impressive increases in numbers of companies reporting on female employees, we are seeing a slow increase in the performance of this metric.

FEMALE EMPLOYEES*

2013	2014	2015	2016	2017
33%	34%	34%	35%	35%

Looking at the trend of female managers over the last five years, we see that big improvements were made, then 2017 saw a large decrease. No employment level reflects the 50-50 male-female distribution in the general population.

FEMALE MANAGERS*

2013	2014	2015	2016	2017
25%	34%	34%	35%	27%

REGIONAL AND COUNTRY VIEW

Employees

No country has more than 40% female employees, and female managers represent a smaller number.

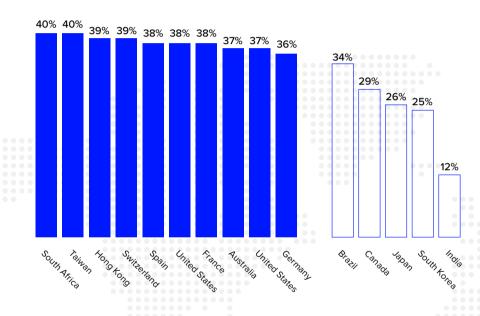
The female employee numbers are comparable across regions, an important observation as all markets are trying to eliminate the gender gap.

The South African and Taiwanese workforces are well represented with 40% of the working population being female. Other countries in the top 10 have a small amount of work to do before reaching 40%.

There is no European representation in the lowest performing countries based on female employees.

Surprisingly, we see Canada among the bottom countries.

FEMALE EMPLOYEES BY COUNTRY*



Female employees – Top 10 countries

Female employees – Bottom five countries

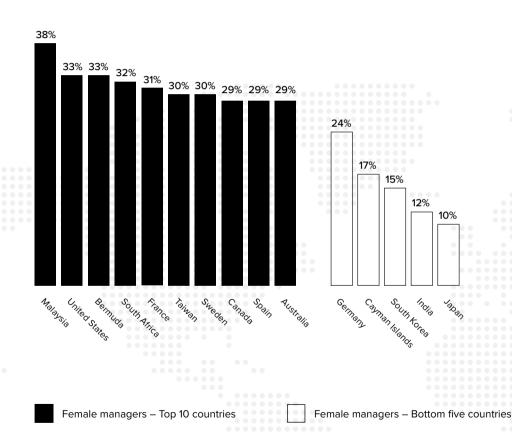
Managers

Looking at the breakdown of percentages of female managers by country, Malaysia is the top performer, followed by the United States. Among the bottom five, Germany is a surprising addition. The nation is the laggard of Europe in terms of female managers.

When comparing female representation in the Japanese workplace, we can see that there is a discrepancy in the percentage of female managers. Women represent 26% of the workforce but only 10% at the management level.

Looking into the industry breakdown, we cannot draw too many conclusions as the number of companies reporting across industries is low, but low levels of female employees appear in resource industries and high levels appear in insurance, real estate and banking/investment industries.

FEMALE MANAGERS BY COUNTRY*



WHICH INDUSTRIES ARE LEADING THE WAY?

Industry view

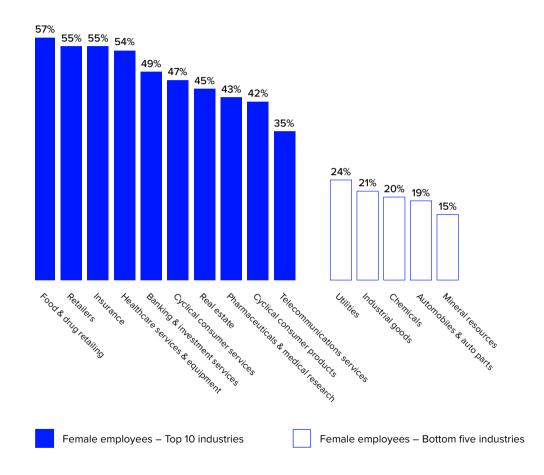
Improvements have been seen in the top industries by female employees, as the retail sector appears in the top five for female employees, female managers and female executives.

The financial sector represents two of the top five economic sectors by female employment. Banking and investment services appear in the top industries ranked by female employees and female managers.

Another area to keep an eye on is Science, Technology, Engineering and Mathematics (STEM) industries. The technology and engineering economic sectors are not represented in the top five business sectors based on female employees. The only STEM business sector which has more than 40% female employees is pharmaceuticals and medical research. STEM is an area that has received a lot of controversy and attention in recent years.

Will the industry commit to being more representative of the market they serve in the near future?

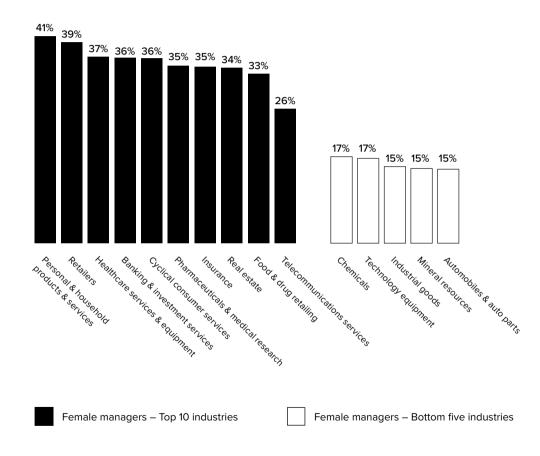
FEMALE EMPLOYEES BY INDUSTRY*



Managers

While insurance and healthcare services and equipment are currently showing high representation in female employees and female board members, the healthcare services and equipment industry is showing a decrease in female managers over the last five years.

FEMALE MANAGERS BY INDUSTRY*

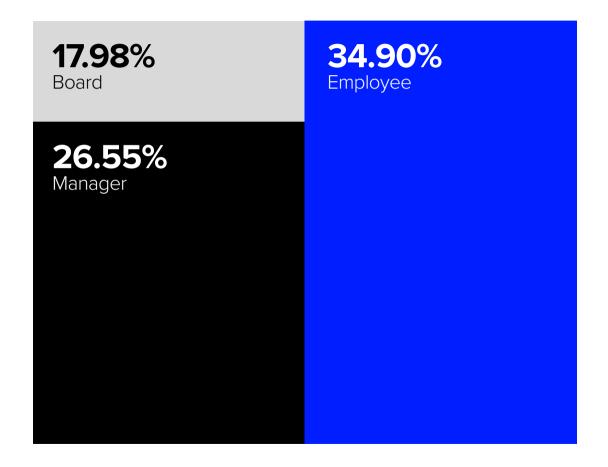


Our data shows that on a global basis, gender composition of the workforce has changed over the years based on business sector.

Although more and more females are being represented across sectors, we still see severe underrepresentation of female employees in industries that have been traditionally male-dominated.

There is still a divergence on equality between levels.

FEMALE REPRESENTTION ACROSS THE WORKFORCE*



WORKING HOURS



Working hours

Companies that offer flexible working hours have an advantage among competitors moving toward greater diversity and inclusion, since this feature is important in attracting talent and preventing workforce burnout.

There has been a 38% increase in companies reporting on flexible working hours from 2013 to 2017.

This trend is showing the growing importance that companies are placing on the practice.

COMPANIES WITH FLEXIBLE WORKING HOURS*

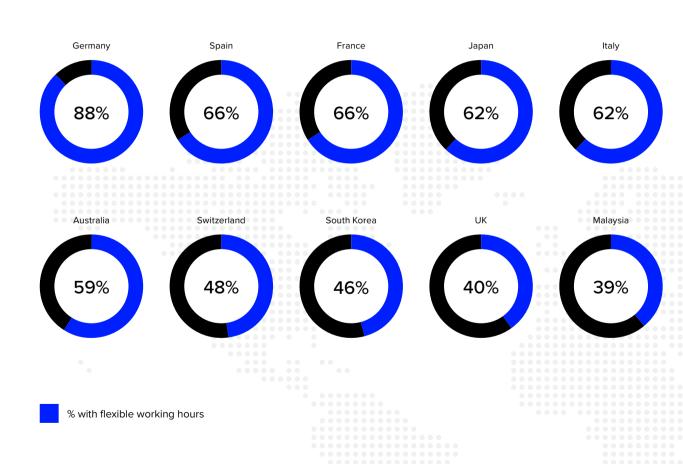


37% 14% 2017 2013



REGIONAL VIEW

COMPANIES WITH FLEXIBLE WORKING HOURS BY COUNTRY*



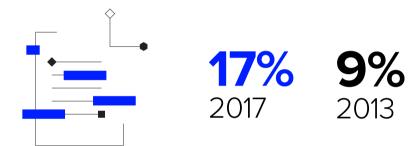
EMPLOYEES WITH DISABILITIES





The number of companies reporting on percentages of employees with disabilities is still very low, despite an increase over five years.

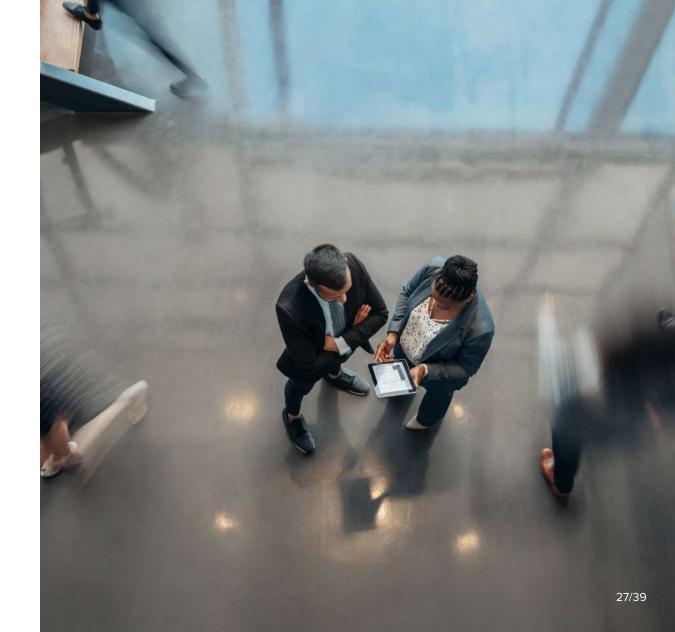
COMPANIES REPORTING ON PERCENTAGES OF EMPLOYEES WITH DISABILITIES*



The majority of companies reporting numbers on employees with disabilities are headquartered in France, India, South Korea and Japan.

As governments increasingly look at workplace inclusion, the employees with disabilities metric may become more of a focus in coming years.

DIVERSITY POLICIES AND TARGETS



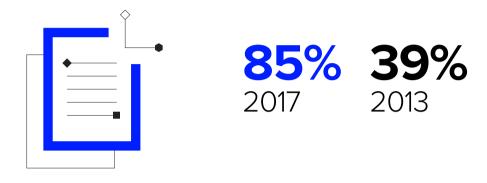
FUTURE PROGRESS OF DIVERSITY AND INCLUSION

In what directions are business leaders taking companies - an analysis of forward-looking metrics.

Refinitiv ESG also assesses forward-looking commitments and objectives that the companies set. In particular we analyze whether or not a company has a diversity and opportunity business policy and if the company has set future targets.

From our data we find that 85% of companies have a policy but only 17% of companies have targets set against the policy. This is an interesting area for investors to potentially investigate and an area of focus for corporations too.

COMPANIES REPORTING ON DIVERSITY AND OPPORTUNITY POLICY*

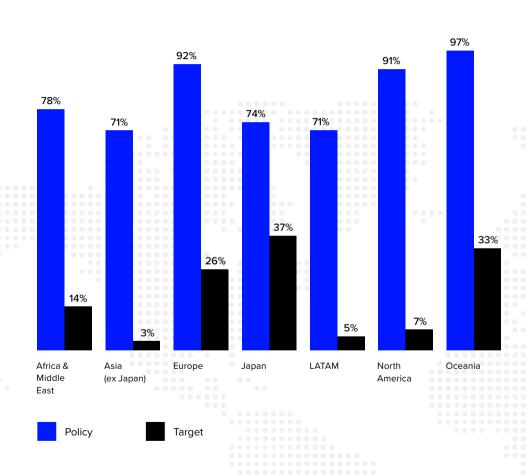


COMPANIES REPORTING ON DIVERSITY AND OPPORTUNITY TARGETS*



REGIONAL VIEW

COMPANIES WITH DIVERSITY AND OPPORTUNITY POLICIES AND TARGETS*

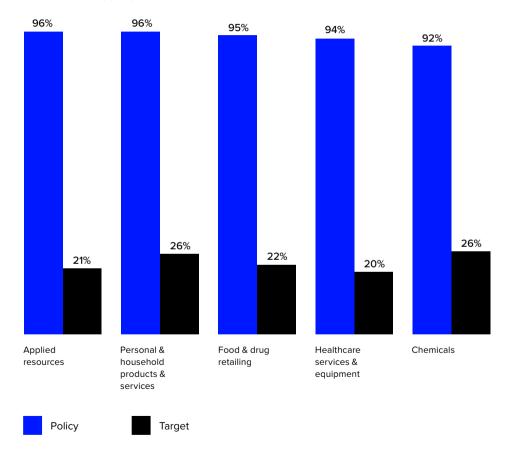


INDUSTRY VIEW

Among the top industry performers are chemicals and personal, household products and services, for both policy and target.

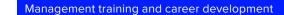
COMPANIES WITH POLICIES AND TARGETS BY INDUSTRY*

Industries filtered by policy



MANAGEMENT TRAINING AND CAREER DEVELOPMENT







We are seeing promising figures around management training and policies for career development, crucial for attracting talent and for maintaining a positive company culture.

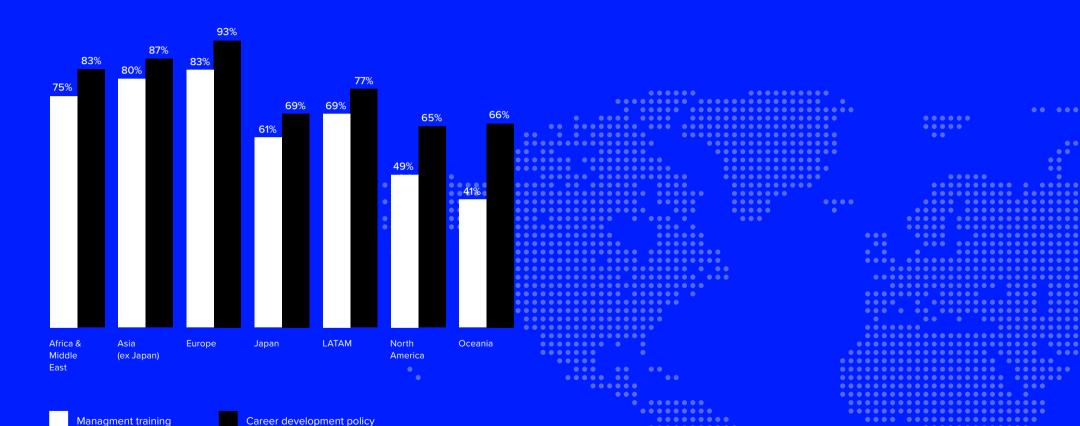
COMPANIES WITH MANAGEMENT TRAINING*

2013	2014	2015	2016	2017
35%	55%	58%	62%	66%

COMPANIES WITH POLICIES FOR CAREER DEVELOPMENT*

2013	2014	2015	2016	2017
40%	67%	71%	75%	78%

COMPANIES WITH MANAGEMENT TRAINING AND CAREER DEVELOPMENT, BY GEOGRAPHIC REGION*



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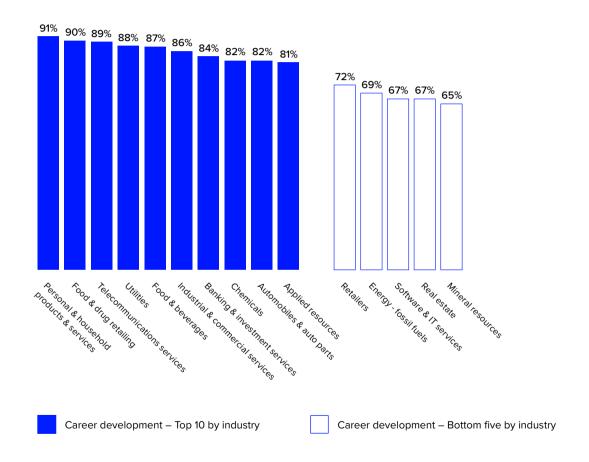
CAREER DEVELOPMENT

Industry view

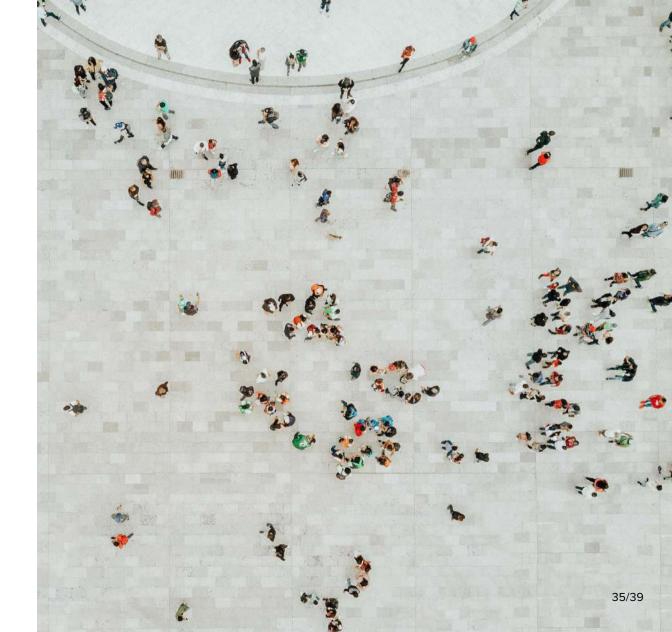
Among industries, software and IT are the lowest performing, which is interesting considering the world is now digital.

Fossil fuel may also be an area of concern for career development – we need innovative thinking to ensure we move away from fossil fuels. If this is not a priority for the energy/fossil fuel industry, should society start applying pressure?

COMPANIES WITH CAREER DEVELOPMENT*



D&I INDEX AND RATINGS



D&I INDEX

Powered by Refinitiv ESG data, our Diversity & Inclusion Index is designed to measure the relative performance of companies against factors that define diverse and inclusive workplaces.

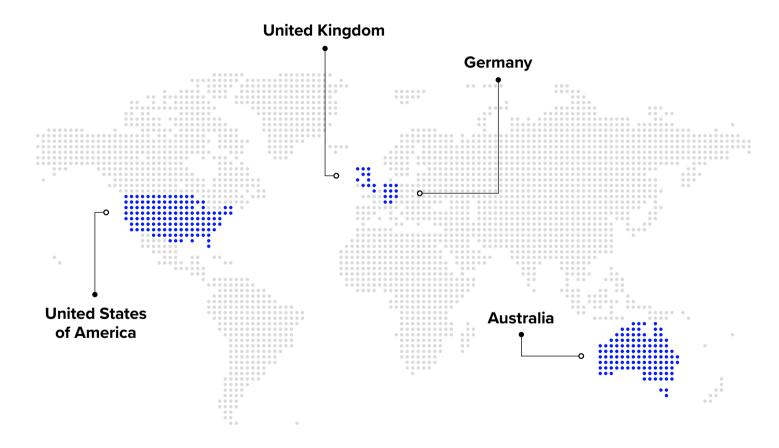
Each year we announce the top 100 best performing companies based on our Diversity & Inclusion ratings.

Find the top 100 here

Accenture PLC, which provides software and IT services, ranked first on the D&I Index for 2019.

Top performing countries and industries within the index are varied.

D&I INDEX - TOP COUNTRIES*



D&I INDEX - TOP INDUSTRIES*



PHARMACEUTICALS
AND MEDICAL
RESEARCH



TELECOMMUNICATIONS SERVICES



BANKING



PERSONAL AND
HOUSEHOLD PRODUCTS
AND SERVICES

TOP COMPANIES FOR D&I RATINGS

We have pulled out the top performing companies based on our D&I ratings for each industry. It is encouraging to see high scores across industries. The energy and fossil fuel industry is the lowest 'top performer' with a score of 68.5. It will be interesting to see how this score develops as new thinking is required to move societies away from fossil fuel.

INDUSTRY	TOP COMPANY	COUNTRY	SCORE
Applied resources	Brambles Ltd	Australia	68.5
Automobiles and auto parts	Fiat Chrysler Automobiles NV	United Kingdom	74.25
Banking and investment services	Royal Bank of Canada	Canada	79.25
Chemicals	Orica Ltd	Australia	69.5
Cyclical consumer products	Owens Corning	United States	72.75
Cyclical consumer services	Star Entertainment Group Ltd	Australia	73.75
Energy - fossil fuels	Snam SpA	Italy	66
Food and beverages	Diageo PLC	United Kingdom	82.25
Food and drug retailing	Woolworths Group Ltd	Australia	74.25
Healthcare services and equipment	Medtronic PLC	Republic of Ireland	70.25
Industrial and commercial services	Thomson Reuters Corp	Canada	74.75
Industrial conglomerates	3М Со	United States	72.75
Industrial goods	Caterpillar Inc	United States	72.25
Insurance	Allianz SE	Germany	77.5
Mineral resources	CSR Ltd	Australia	71.75
Personal and household products and services	Natura Cosmeticos SA	Brazil	79.25
Pharmaceuticals and medical research	Novartis AG	Switzerland	77.75
Real estate	Stockland Corporation Ltd	Australia	68.5
Retailers	Gap Inc	United States	76.5
Software and it services	Accenture PLC	Republic of Ireland	85.5
Technology equipment	Xerox Corp	United States	72.75
Telecommunications services	Telecom Italia SpA	Italy	78
Transportation	Deutsche Post AG	Germany	71.5
Utilities	Hera SpA	Italy	75

ABOUT REFINITIVES DATA

At Refinitiv, we strive to be the trusted and preferred partner for environmental, social and governance (ESG) data and solutions, and are committed to bringing to the market an array of best-in-class data, analytics and fully integrated workflow solutions.

We understand the increasingly critical need for ESG information, and the solutions we offer enable customers to act with confidence on consistently captured and standardized transparent information and insights.

We have deep domain expertise and have been providing ESG solutions to the financial industry since the early 2000s. Designed to help you make sound, sustainable investment decisions, our ESG data covers nearly 70% of global market cap and over 400 metrics.

Our ESG data is available through Eikon®, Excel® add-in, Datastream®, Datastream Data Loader (DDL), QA Direct® and the Elektron Data Platform Cloud API.

For more information, visit us online at refinitiv.com/esg