



California Partners
PROJECT

MAPPING INCLUSION

Women's Representation
on California's Public
Company Boards by Region
and Industry



LEADING THE WAY

- 01 INTRODUCTION
- 02 UPDATE ON SB 826
- 06 MAPPING INCLUSION:
PROGRESS BY REGION
- 08 MAPPING INCLUSION:
PROGRESS BY INDUSTRY

- 10 LEADING THE WAY
- 15 PRIVATE COMPANIES, THE NEXT
FRONTIER
- 17 METHODOLOGY
- 18 ACKNOWLEDGEMENTS



MAPPING INCLUSION

In 2021, more women have joined California's public company boards than men, likely for the first time.



50.4% of the directors that started in 2021 are women (469/930)¹

When we co-founded the California Partners Project (CPP) two years ago, we set a clear goal: measure and understand the impact of California's landmark legislation, SB 826, which requires that all public companies headquartered in this state include women on their boards of directors. Having worked for years as researchers and advocates for gender equity, we wanted to promote women in corporate leadership and smooth the path for this transformation in board leadership.

There is much to celebrate in the progress California has made. All male boards are a thing of the past – from nearly a third of public company boards in 2018 to less than two percent now. Women hold a record number of California public company board seats. As of September 30, 2021, 1,844 seats are held by women – up from 766 in 2018. That means that women hold over 29% of the public company board seats in California, compared to 15.5% in 2018. That's an increase of *nearly eleven hundred women* to those boards in just three years.

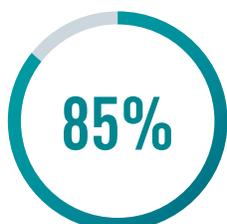
The California experiment proves that where there's a will, there's a way. Concern that there were not enough qualified women to serve on boards is unfounded. According to PricewaterhouseCoopers' 2021 Annual Corporate Directors Survey, we may have reached a tipping point where directors increasingly see the benefits of diversifying their boards and are stepping

¹ Data in this report are as of September 30, 2021, unless otherwise indicated.

² The source for the 2018 data in this report is Barrett, Annalissa, "June 2018.

MAPPING INCLUSION

Board directors increasingly see the benefits of diversifying their boards



Directors believe that board diversity enhances board performance



Directors agree that board diversity improves strategy/risk oversight



Directors think board diversity will simply happen naturally, a staggering decrease from 71% in 2020

outside of their own networks to source candidates. That's the kind of true diversity that leads to better governance and better outcomes for us all.

According to the PwC survey: 85% of board directors say that board diversity enhances board performance; 76% of board directors agree that board diversity improves strategy/risk oversight; and only 33% of board directors think board diversity will simply happen naturally, a staggering decrease from 71% in 2020.³

There is still much progress to be made in accessing diverse talent for our boards, by women of color in particular, as we documented in our May 2021 report on the lack of racially and ethnically diverse women in the boardroom. At CPP, we are continuing to probe what barriers are preventing our companies from benefiting from our full spectrum of leadership and how they might be addressed.

In this report, we examine gender representation on California's public company boards by region and industry. Regionally, the Bay Area and Central Coast are among the leaders in gender-diverse boards. That's good news since a whopping 57% of the state's public companies are headquartered in those regions.

By industry sector, 36% of board seats are held by women in the energy and utilities sector and 33% of board seats are held by women in the entertainment and retail sectors. In contrast, agriculture (24% of board seats held by women), restaurants (27% of board seats held by women), and financial services (28% of board seats held by women) are the laggards in adding women to their boards.

We often hear that a lack of women on boards is a "pipeline problem", meaning there are not enough qualified candidates coming up through the corporate pipeline. The disparity between industries raises a question as to the validity of that explanation, however. Because the pool of talent for corporate boards is global, and while boards may seek to include some skills unique to their industry, other expertise is more universally useful, like risk management, cyber security, marketing, human relations, public affairs, or operational management. Herein lies the point: the restaurant industry tends to have a pay gap that favors male workers and an underrepresentation of women in leadership positions. Including human resources expertise on those boards could be particularly beneficial to those companies' longevity.

³ PwC Governance Insights Center, "The Director's New Playbook: Taking on Change," PwC's 2021 Annual Corporate Directors Survey, 2021.

MAPPING INCLUSION

If some industry sectors are accessing diverse talent more broadly than others, cultural factors and limited networks may be to blame. CPP focus groups with business leaders found that miscalculation of risk, restricted personal networks, and valuing titles over skills were common barriers to producing diverse boards. With focus and commitment, those are challenges that can be overcome.

You may wonder why we have devoted so much time to tracking, compiling, and analyzing the rapid addition of women onto California public company boards. What difference does it make to people beyond that elite pool of corporate executives? Increasingly, our corporate leaders are our national leaders. Solving the massive challenges we face as a nation and a planet -- climate change, gender equity, the yawning chasm between the rich and poor, racial and ethnic bias and disparities, a global pandemic, and the caregiving needs of children and the elderly, etc., -- require all of our institutions' commitments and prioritizations. And, now more than ever, we need women and people of color at the tables where those issues are debated and addressed.

Both of us are advocates whose hearts lay in public and non-profit missions. But if you care about the future of this planet and country, you have to care about corporate boardrooms, too.



Jennifer Siebel Newsom



Olivia D. Morgan

Jennifer Siebel Newsom

First Partner of California and Co-Founder of the California Partners Project

Olivia D. Morgan

Executive Director and Co-Founder of the California Partners Project

ABOUT THIS REPORT

This report provides a comprehensive analysis of the gender diversity of the boards of all public companies headquartered in California. Our data includes 525 companies in the Russell 3000 Index, a market-capitalization-weighted U.S. equity index, as well as 227 publicly traded companies that are not included in the Russell 3000 Index but play a critical role in the California economy and are subject to California's board gender diversity law.

In 2018, California became the first state in the country to legally compel public companies to diversify their boards with more women directors. The law, SB 826, required that the boards of all public companies headquartered in California have at least one woman director by the end of 2019.

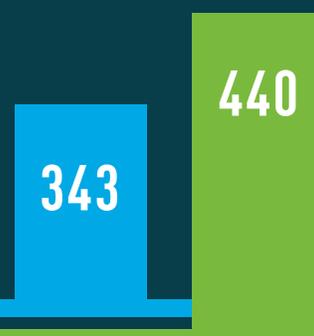
SB 826 LAW REQUIREMENTS BY THE END OF 2021:

Board Size	Women Directors Required
6 or more	Minimum of 3
5 directors	Minimum of 2
4 or fewer	Minimum of 1

Here, we track and spotlight overall compliance with the gender requirement of SB 826 and compare the progress across regions and industries in California to see whether gains are being made equally and what we can learn from any disparities.

Claim Your Seat

California public companies still have at least 440 board seats to fill with women by the end of 2021 to comply with the SB 826 gender requirement. [Visit our Resource Hub at www.calpartnersproject.org](http://www.calpartnersproject.org), for a list of the 343 companies with opportunities for women directors and resources for matching qualified women candidates with the companies looking for their talent.



Companies with opportunities for women directors

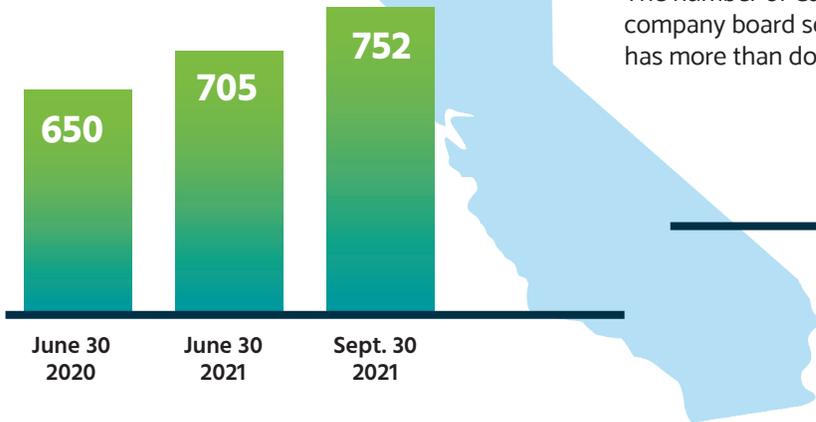
Board seats to fill with women by the end of 2021

Deadline Dec 31, 2021

These calculations assume that companies' board sizes remain the same.

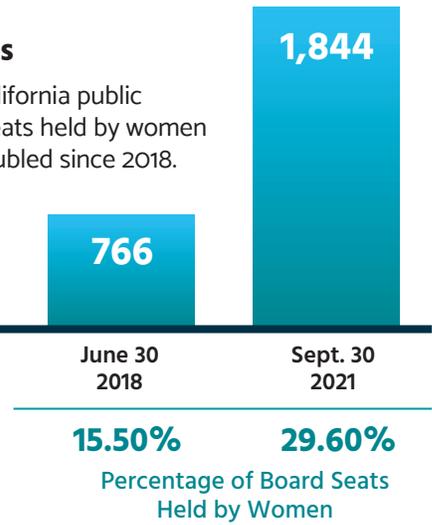
WHERE WE STAND

Number of Public Companies Headquartered in California⁴



Rapid Progress

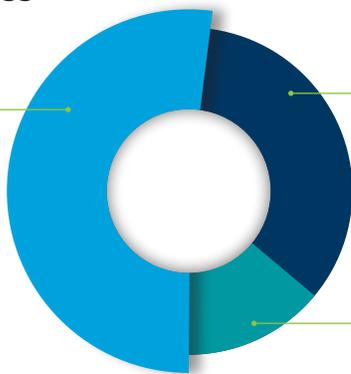
The number of California public company board seats held by women has more than doubled since 2018.



Critical Mass

54.4%

Meet the end of 2021 gender requirement



33.4%

Need to add 1 woman to meet the end of 2021 gender requirement

12.2%

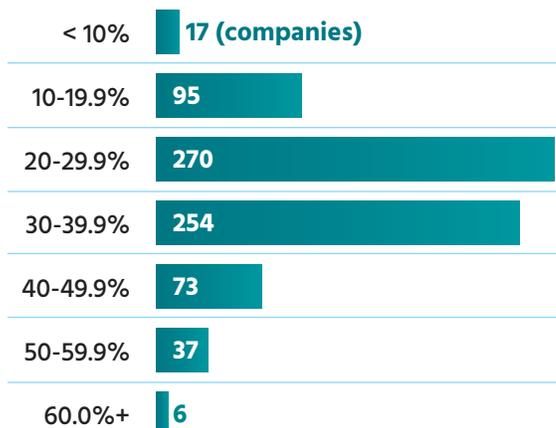
Need to add 2+ women to meet the end of 2021 gender requirement⁵

California Public Companies with Three or More Women Directors



Critical Mass on company boards refers to the idea that the presence of at least three women directors creates an environment where women are no longer seen as outsiders and can influence board discussions more substantially.⁶

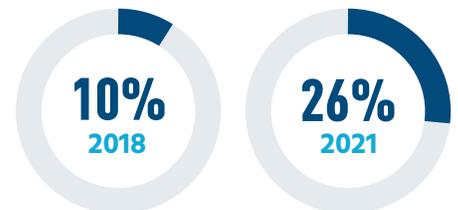
Percentage of Board Seats Held by Women at California's Public Companies



Microcap Companies

Larger companies tend to have more diverse boards and to be the focus of most national research on board diversity. 176 of California's 752 Public Companies are Microcap. Here's what you find when you look at smaller companies in California, with market capitalizations of less than \$300 million.⁷

California's public microcap company board seats held by women



⁴ 2021 data excludes Special Purpose Acquisition Companies (SPACs).

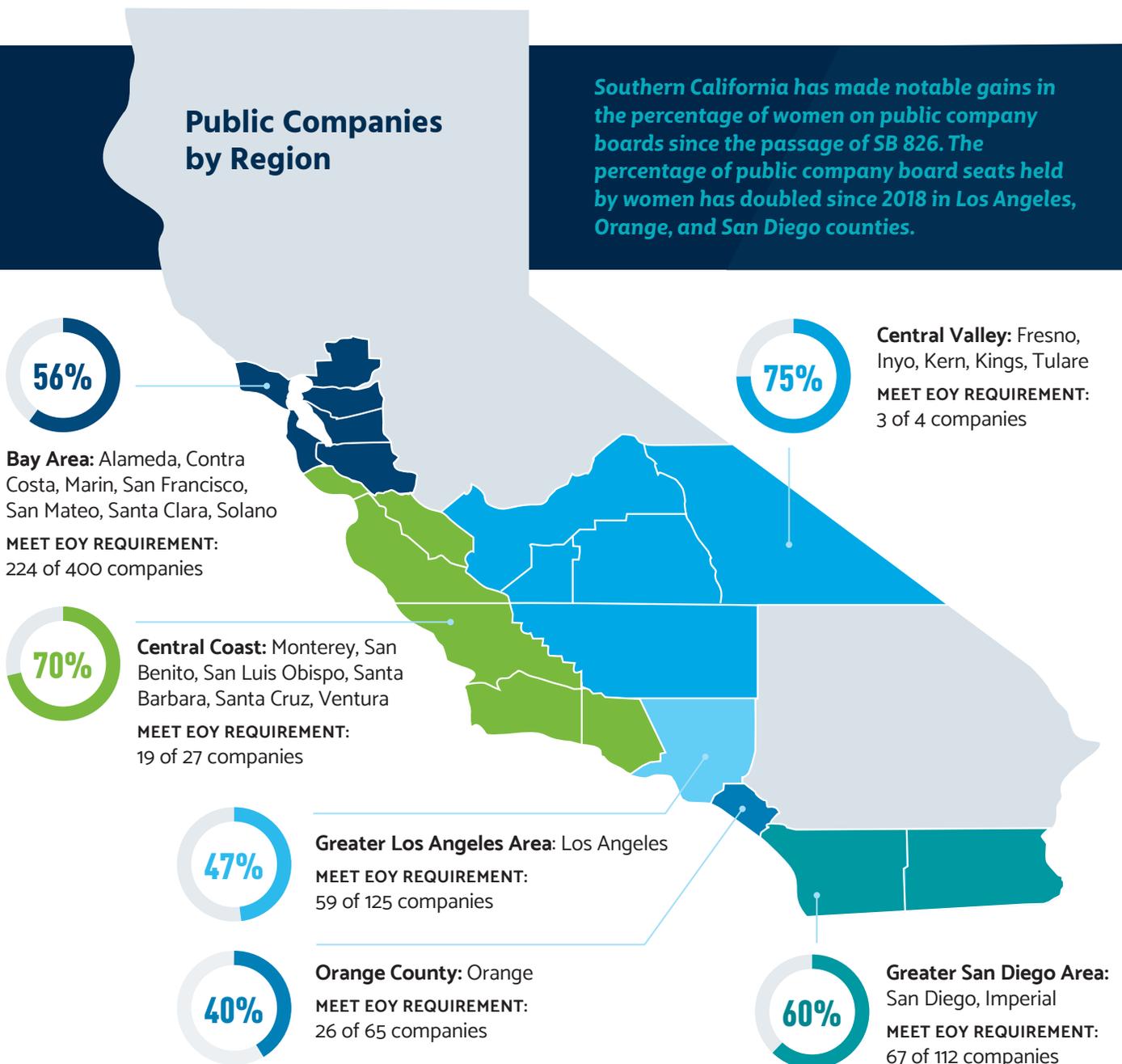
⁵ These calculations assume that companies' board sizes remain the same.

⁶ Drawn from the legislative text of SB 826. According to the study entitled "Women Directors on Corporate Boards: From Tokenism to Critical Mass," by M. Torchia, A. Calabrò, and M. Huse, published in the Journal of Business Ethics in 2011, and a report entitled "Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance" by V. Kramer, A.M. Konrad, and S. Erkut, 2006.

⁷ Equilar Gender Diversity Index (GDI), Q3 2021.

MAPPING INCLUSION: PROGRESS BY REGION

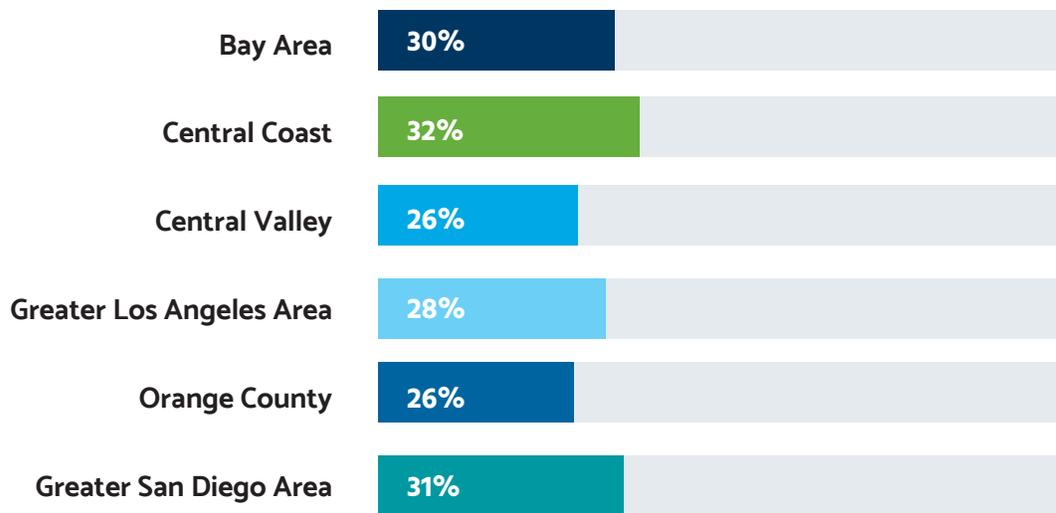
Our geographical analysis examines six regions in California with the greatest concentration of public companies. The San Francisco Bay Area boasts the most public companies of any region – 400 of California’s 752 public companies are in the Bay Area. **At the county level, San Francisco commands the highest percentage of women directors at 33%, with Contra Costa County in close second at 32%.** The trend upwards for women directors across all regions has shown significant growth over the past three years. While there are 752 public companies, this report focuses on six regions that contain the majority of these companies, 733 in total.



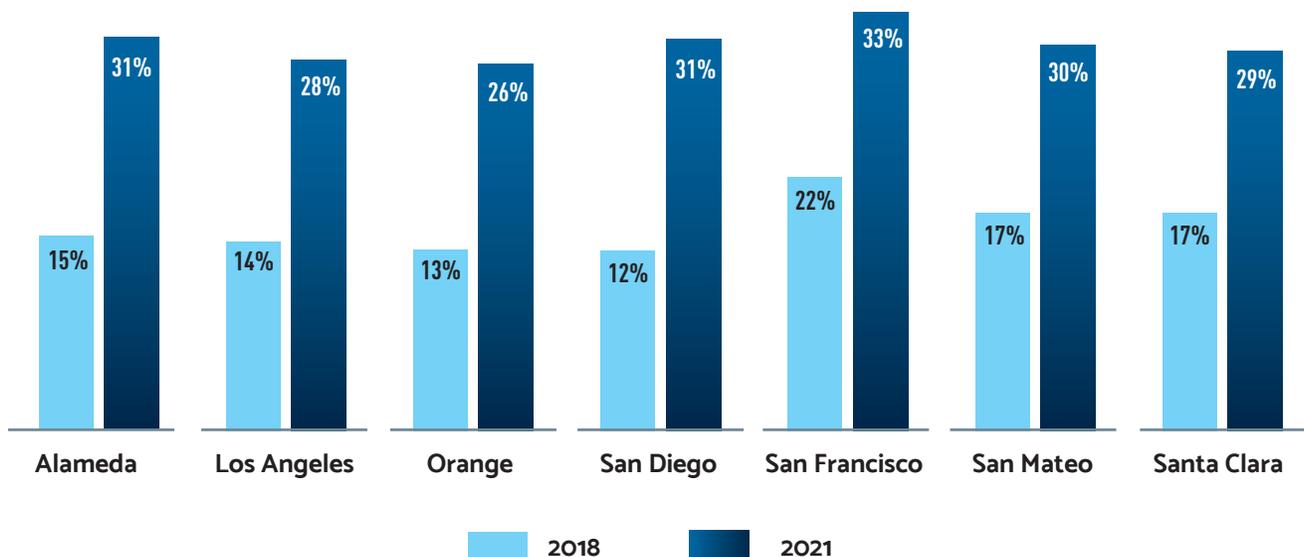
MAPPING INCLUSION: PROGRESS BY REGION

More than half of the public companies in Los Angeles and Orange counties need to add women directors by the end of the year.

Percentage of Board Seats Held by Women Directors by Region



Percentage of Board Seats Held by Women in 2018 and 2021



MAPPING INCLUSION: PROGRESS BY INDUSTRY

California's public companies represent the most influential companies in the world like Alphabet (Google), Apple, Lyft, Meta (Facebook), Netflix, and The Walt Disney Company. Many of the microcap companies in the state are leading the world in cutting-edge research in biotechnology and medicine. California companies span a diverse range of sectors including life science, healthcare, real estate, retail, finance, technology, and energy. **Currently 55 Fortune 500 companies are headquartered in the state.**⁸

Our analysis looks at eleven California industries, examining which sectors are advancing gender diversity most rapidly at the board level.⁹ The industries we analyze collectively include 691 of the 752 public companies headquartered in the state.

Public Companies by Industry

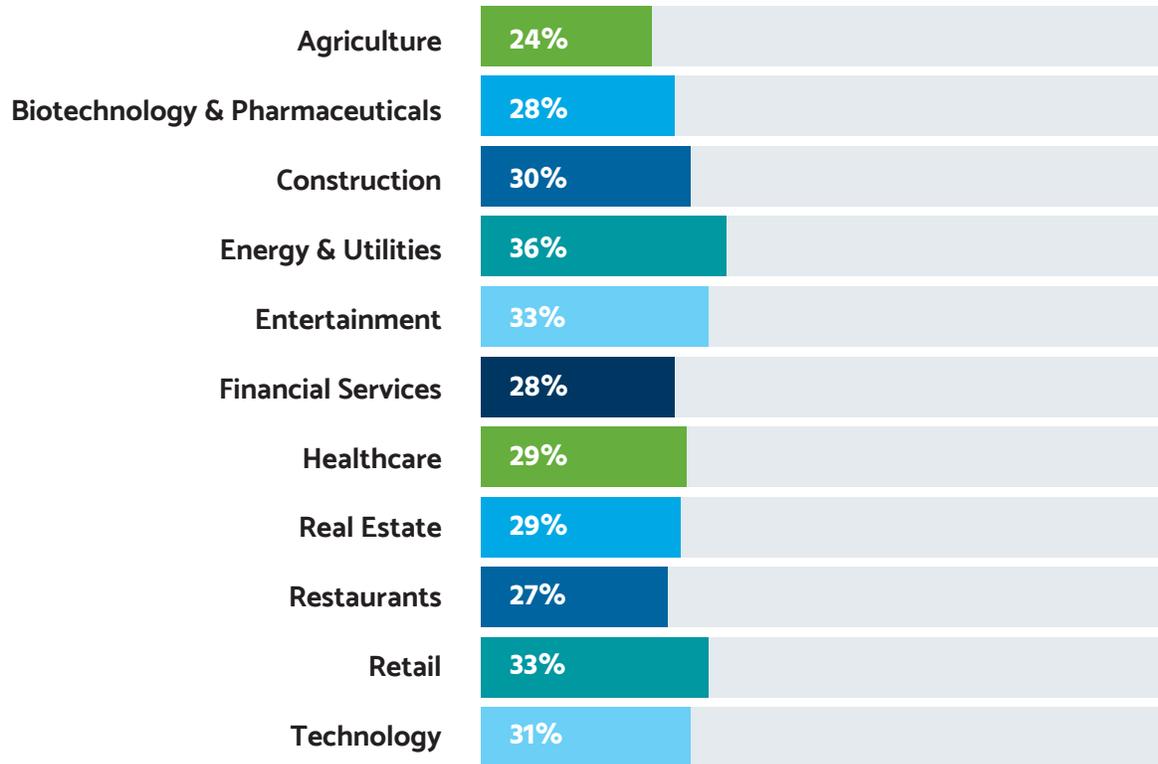
MEET EOY REQUIREMENT	NO. OF COMPANIES	INDUSTRY
1	6	Agriculture - Agricultural inputs, food distribution, farm products
92	193	Biotechnology & Pharmaceuticals - Drug manufacturers, biotechnology
5	8	Construction - Building products, equipment, residential construction
9	11	Energy & Utilities - Water utilities, electric utilities
9	11	Entertainment - Film and television production, live entertainment, streaming services
41	65	Financial Services - Banks, asset management, mortgage finance, insurance, capital markets groups, credit services
44	97	Healthcare - Health information services, healthcare plans, diagnostics and research, medical supplies and devices, medical care facilities
19	33	Real Estate - Real estate development, commercial and residential real estate, Real Estate Investment Trusts (REITs), real estate services
6	9	Restaurants - Restaurants
37	56	Retail - Clothing, footwear, accessories, toys, furnishings, grocery stores, packaged goods, household products, internet retail
119	202	Technology - Software applications, software infrastructure, internet content and information, computer hardware, semiconductors, information technology, consumer electronics, solar

⁸ Wittner, Michael, Patch Media. *Fortune 500: These California Companies Make the 2021 List*, 2021.

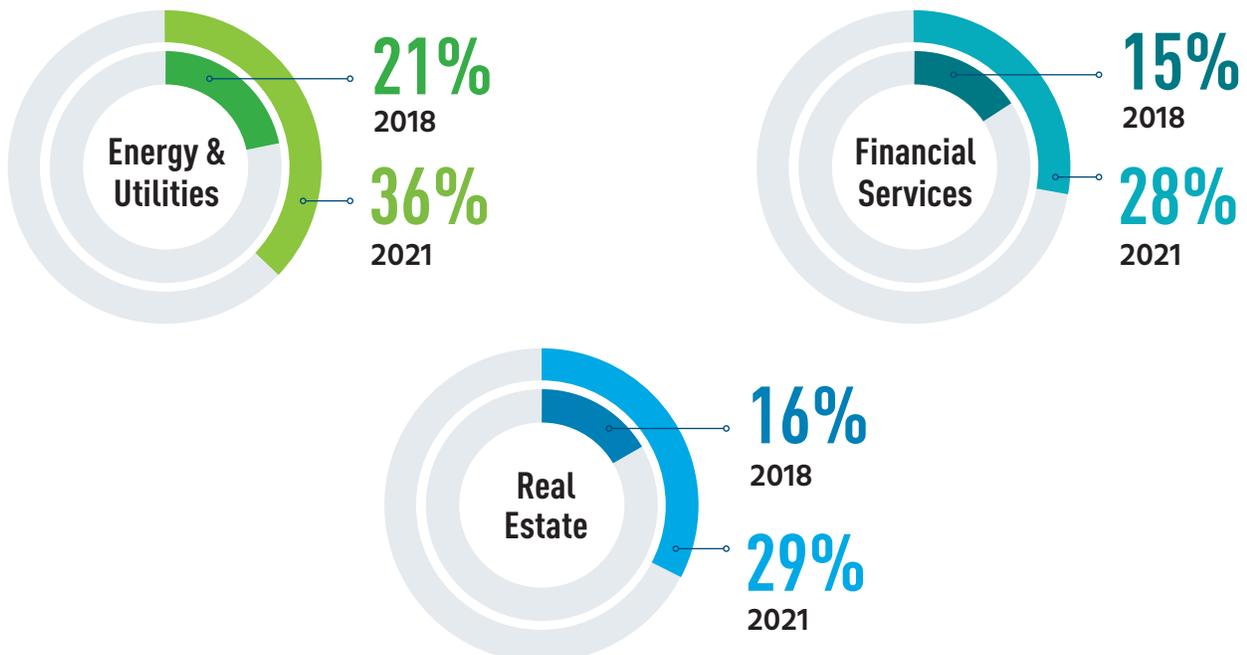
⁹ Definitions are not exhaustive but illustrate the type of companies included in each category.

MAPPING INCLUSION: PROGRESS BY INDUSTRY

Percentage of Seats Held By Women Directors by Industry



Percentage of Board Seats Held by Women in 2018 and 2021



LEADING THE WAY

Hear from women directors and CEOs who are leading the way on board diversity



“

During my over two-decade career as a service provider to the technology industry, I was the only woman and/or person of color in an overwhelming majority of board meetings. It was disheartening to observe that certain perspectives were not represented. Thus, I became dedicated to developing diverse candidates into the boardroom for over a decade – long before it became an organizational imperative. It has been wonderful to see the momentum building globally to formalize boardroom diversity. Not only does it ensure there are more voices represented at the table, it also measurably improves board performance, company performance, and moves the needle for the businesses that embrace it. It’s a win-win-win.”

Emily Rollins

Board Director, Dolby Laboratories (NYSE: DLB),
McAfee (Nasdaq: MCFE), & Science 37 (SNCE)



“

It is critical to have diversity of thought in the boardroom for all companies, but this is particularly important for a company in the life science sector. As a female led public company focused on developing healthcare products for women, we did not need the push of SB 826 at Daré Bioscience -- we had a gender diverse board from day one of going public in 2017. We did this not because we had to -- but because we wanted to have an array of voices and perspectives on our board. That diversity of thought has helped us think outside of the box as we navigate difficult strategic decisions, such as those necessary to continue to pivot and make important progress over the last two challenging years of COVID.

Sabrina Martucci Johnson

President and CEO, Daré Bioscience (Nasdaq: DARE)



“

The value of diverse boards becomes quickly apparent once diverse directors join. They are often the people carrying the mantle for important discussions and challenging ideas from many different angles and perspectives. This is particularly true for tech firms given their mission to disrupt their industries. Boards that are not fully representative of a company’s employees, customers, communities, and other stakeholders are not accessing the full breadth of talent and expertise it needs to be successful. Latinas bring a particular perspective to the boardroom that has been missing for too long. The bottom line is that board diversity helps deliver better business results.

Anilu Vazquez-Ubarri

*Board Director, Upwork (Nasdaq: UPWK);
Partner & CHRO TPG Global*



“

It is a well known fact that diverse teams perform more effectively, and diverse boards lead to more innovative corporate cultures and stronger corporate performance. Eventbrite has been at the forefront of recognizing these benefits and CEO Julia Hartz has prioritized assembling a diverse board, achieving board gender parity in 2018.

Helen Riley

*Board Director, Eventbrite (NYSE: EB)
& Marqeta (Nasdaq: MQ); CFO, X*

HIGHLIGHTS FROM OUR PARTNERS

A message about board diversity and fair pay from the Nasdaq Entrepreneurial Center.

The Nasdaq Entrepreneurial Center, Fair Pay Workplace and Penn State University completed a yearlong research project looking at Fair Pay, Ownership and Valuation for Women Business Owners.

Without changes, it will take 135.6 years to close the pay gap worldwide. Diverse boards not only drive higher returns; they have power to create wealth for generations to come. More women on boards, means more women leaders, mentors, role models to inspire and guide the next generation of business leaders.

Each year women start more than **664,000 new businesses**.

Women-identifying founders **pay themselves 23% less** in their first year of business versus men.

That is **\$2.76 billion less** than their male counterparts.

And women-identifying business owners **receive a 70% lower valuation** at the seed stage than their male counterparts.

Paying it forward, diverse board members can help women business owners work through their biggest challenges, starting with fair pay. Fair pay strikes at the heart of human dignity. Women business owners who build fair pay practices and principals into the foundation of their companies create equitable environments for themselves, future employees, their families and communities. Everyone flourishes.

For more information visit www.thecenter.nasdaq.org/pov.

Latino Corporate Directors Association (LCDA) releases quarterly scorecards

detailed the race, ethnicity, and gender breakdown of public company board directors in California.

Latinas continue to be significantly underrepresented holding only 1.3% of board seats on the boards of California's publicly held companies.

LCDA is keeping tabs on board representation as California nears a board diversity deadline. By the end of this year, California Assembly Bill 979 requires California public companies include directors from underrepresented communities on their boards.

PRIVATE COMPANIES, THE NEXT FRONTIER

Three years ago, California implemented a new law to require gender diversification of public company boards. We are happy to report that great progress has been made: the number of board seats held by women has more than doubled and over half of California's companies now have at least three women on their board, up from 11% in 2018. Study after study – and our experience as business leaders – confirms that's a great accomplishment by California's industry and important to enhance the state's reputation as a globally competitive leader and home to many of the world's most innovative businesses.

As entrepreneurs and innovators – and Californians! – it's our nature to look for what comes next. California's public companies are on the right track – but we ask, how can we get more businesses to diversify leadership even faster?

California Partners Project's May 2021 report, [Women of Color on California Public Company Boards](#), points toward an important answer. Men and women of color – and especially Latinas – are still woefully underrepresented in corporate boardrooms. It's a huge missed opportunity, especially in a state with a heavily Latino consumer base and workforce.

This current report, examining women on public company boards by industry and region, shows that certain cities and sectors have an opportunity to catch up with others. The path to improved diversity has been fairly well established by our state's "early adopters": make it a priority; expand your networks; reconsider your board member criteria – whose experiences and insights is your board missing; and update your governance practices to reflect transparency and accountability.

We also can help make progress by supporting board diversity beyond California if top investors and stakeholders, including Nasdaq, CalPERS and BlackRock, continue their efforts to diversify company boards around the country. It's imperative to build a strong workforce which leads to corporate growth.

PRIVATE COMPANIES, THE NEXT FRONTIER

One path to improving diversity is to increase focus on the companies we interact with in our businesses. Startups and pre-IPO companies are not moving as quickly and missing the opportunity to benefit from board diversity in the same way that California public companies are. A [2020 study](#) by Crunchbase, Him for Her, and the Kellogg School of Management of the most heavily funded private, U.S., venture-backed companies found that 49% of the companies that had raised at least \$100 million had no woman on their boards.

California's economy is benefiting from the fact that nearly 30% of the state's public company board seats are now held by women. In contrast, of the private companies studied, women held only 11% of board seats, and women of color held just 3%. While it's true that private company boards are often small, with most seats designated for investors and executives and fewer independent directors than public company boards, women continue to be vastly underrepresented in every director category. They hold 7% of executive director seats, 9% of investor director seats and only 20% of the independent director seats at these private companies.

Silicon Valley Bank and theBoardList have worked together for years to provide companies access to qualified women board candidates and to offer educational and networking opportunities for women. There is no lack of talent. CPP is partnering with Stanford, the Nasdaq Entrepreneurial Center, and a broad range of for- and non-profit organizations to connect board-qualified women with board opportunities.

We are proud of California industry and the Bay Area's progress in particular to increase gender representation on public company boards. At SVB Capital, we are calling on our peers in the venture capital and private equity sectors to further lead by example. They can do that by prioritizing diversity on the boards of their portfolio companies – bringing in new talent with fresh ideas and perspectives. The results will make for a stronger business ecosystem and state of California.

John China

*President of SVB Capital;
founder member of the CPP Board*

Sukhinder Singh Cassidy

Founder and Chairman of theBoardlist



John China



Sukhinder Singh Cassidy

METHODOLOGY

This report examines the gender diversity of the boards of the 752 companies headquartered in California that are publicly traded on the NYSE, Nasdaq, or NYSE American exchanges, excluding Special Purpose Acquisition Companies (SPACs). Of the 6,225 board seats at these California companies, 1,844 are held by women.

The director data and company data in the report are based on information in regulatory filings (e.g., proxy statements and Form 8-K) submitted to the SEC and were provided by Equilar, Inc., an executive and director data firm. Companies are included in the study if their “Principal Executive Offices” reported on their most recent Form 10-K or 424B4 was in California. All assessments of compliance with the provisions of California Senate Bill 826 were based on the composition of the boards studied as of September 30, 2021. Every effort was taken to identify all public companies that are headquartered in California and traded on the NYSE, Nasdaq or NYSE American exchanges. Any errors or omissions are unintentional.

The geographical analysis examines the six regions in California with the greatest concentration of public companies. The regions include 733 of the 752 public companies headquartered in the state. Regional data was determined using zip codes provided by United States Zip Codes.org with assistance from the Equilar data analytics team. Industry data was determined using Equilar’s sector and industry categorizations derived from Standard Industrial Classification (SIC) Codes provided to the U.S. Securities and Exchange Commission (SEC). The industries examined in the report include 691 of the 752 public companies in California.

ACKNOWLEDGEMENTS

Thank You to Our Partners



MINE THE GAP

Jessica N. Grounds and Kristin Haffert, thank you, thank you for your ongoing partnership and expertise, and for your tireless efforts advancing women leaders and making the world a more equitable place.



EQUILAR

We are full of gratitude to our data partner, Equilar, Inc. who provided data and analysis for this report. Thank you to Dave Chun, Courtney Yu, and team for partnering with us on our work and for your commitment to providing accurate, top-quality data.



Silicon Valley Bank

This report was funded thanks to the generosity of Silicon Valley Bank.

ACKNOWLEDGEMENTS

Additional Thanks

We could not ask for more dedicated, professional, and flexible design partners than Kelly Stiles and Brand Movement. Thank you for putting your talents to work on this project.

To the team at the Nasdaq Entrepreneurial Center, thank you for collaborating with us in spreading this report's message to entrepreneurs, and for your leadership and your partnership.

Our CPP team is Olivia D. Morgan, Laura M. Morris, Holly Teliska, Orlena Perez Watson, and Leigha Weinberg. Special thanks to Leigha and Orlena for their leadership in vetting the data for this report, and to Olivia, our visionary and inspiring leader who never hesitates to roll up her sleeves to help her team.

We simply could not do this work without our Women on Boards Advisory Council. We appreciate your energy, inspiration, and guidance, and are grateful to work with this exceptional group.

Esther Aguilera – President & CEO, Latino Corporate Directors Association

Annalisa Barrett – Senior Advisor, KPMG Board Leadership Center

Betsy Berkhemer-Credaire – CEO, 50/50 Women on Boards

Reveta Bowers – CPP Board; Chair Emeritus, Common Sense Media Board

Julie Castro Abrams – CEO and Chair, How Women Lead

John China – CPP Board; President, Silicon Valley Bank Capital

David Chun – CEO & Founder, Equilar, Inc.

Hannah-Beth Jackson – California State Senator (Retired) and author of SB 826

Amanda Packel – Managing Director, Rock Center for Corporate Governance at Stanford University

Anne Sheehan – Director of Corporate Governance, CalSTRS (Retired)

California Partners Project Board of Directors, thank you for your suggestions and ideas, and for your unflagging belief in the importance of corporate board diversity in improving our world. Our Chair, Elizabeth Gore, along with Reveta Bowers, John China, Janet Keller, Lisa Ling, Olivia Morgan, Joyce Newstat, Norah Weinstein, and Thomas Willis.



Learn More about the California Partners Project

www.calpartnersproject.org