

Gender diversity in AIM company boards

Third annual report | 2025

Report compiled by



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Foreword

Previous limited progress has now largely stalled

Addidat and Indigo: Independent Governance are pleased to present their third annual report on gender diversity in AIM company boards.

In the context of publicity in recent weeks about considerable pushback against equality, diversity and inclusion measures from several major US businesses, this report and its conclusions seem even more critical to highlight. In contrast to the United States, the value placed upon equality, diversity and inclusion in the UK and across Europe remains well supported and a key part of investor and wider stakeholder expectations. Despite this support, this year's statistics on gender diversity in AIM company boards are disappointing.

What we found

Our first report in 2023 revealed that only 1 in 7 AIM company directors was a woman. By the following year that position had improved to **1 in 6** directors being female and it is therefore somewhat discouraging to note that, in the last year, that ratio has remained stubbornly static.

Other indicators are also concerning. Compared to the analysis presented in 2024, Addidat's proprietary data now shows there is a higher percentage (**38%**) of all-male boards, an increase of **1.4%** over last year across the AIM market.

Whilst there has been a marginal improvement in the proportion of senior board positions held by women in AIM companies, **72%** of such businesses still have no women in the more influential roles of chair, senior independent director, chief executive officer or chief financial officer.

There have been pockets of progress, including within the utilities sector for example, where board gender diversity has continued to outperform and improve more rapidly over both one and two year timeframes compared to other sectors.

However, in absolute terms, gender diversity at board level remains relatively low at **16%**. Across the AIM market as a whole, only **11%** of firms would meet the **40%** women on boards threshold expected of FTSE350 companies.

The importance of diversity

The importance of establishing diverse boards is often justified by reference to the better outcomes that their companies may achieve. We wholeheartedly support the idea that boards comprised of diverse individuals, with different backgrounds and perspectives to complement the knowledge and skills they bring to the table, are more likely to avoid the echo-chamber traps that can be a risk for directors who approach decision making from a starting point informed by similar views.

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Foreword

We do not dismiss the concept that diverse boards may therefore be more likely to make better decisions that deliver superior outcomes in the longer term. However, we reject the notion that the need for diversity should be justified on the basis of this potential outperformance. Female directors, and others with diverse characteristics, should not have to be workplace Olympians – **faster, higher, stronger** – compared to their male peers to earn a seat at the same table as them. That is not how a meritocracy, in which a level playing field leads to the appointment of the best candidate from a wide pool, should operate. The current imbalance in the gender composition of AIM company boards indicates that talented women are still facing significant barriers to appointment. Their absence from the boardroom will not only impact director decision making and culture, it could also discourage the next generation pipeline.

Finding a way forward

The lack of formal targets in relation to board diversity, and the flexible approach to board diversity set out in the QCA Corporate Governance Code which is adopted by many AIM companies, are likely to be contributing to the lacklustre pace of change seen in AIM companies. The potential benefits of high growth AIM companies being steered by more diverse boards are sadly being lost. Particularly for those AIM companies which are smaller, solutions that avoid burdensome additional regulation and which respect the flexibility of the AIM market would be significantly more preferable than a more heavy-handed approach. We hope that by shining a light on the reality of diversity challenges within AIM listed company boards, we can contribute to creating the change that we want to see.

We remain fully committed to extending the diversity debate beyond the largest listed and private companies which are the focus of the successful FTSE Women Leaders' Review. We also remain conscious of the need to broaden diversity ambitions beyond those relating to gender and accordingly see our current gender-based reporting as just the starting point. By raising awareness of the current poor state of AIM company board diversity through publication of this annual report and its previous versions, we hope to prompt thoughtful debate, meaningful action and positive change in smaller listed companies.

People we need to thank

We are particularly grateful to Lisa Montague, Chief Executive Officer of Sanderson Design Group plc, which has a gender balanced board and, not only has a female CEO, but also a female chair. Lisa has kindly allowed us to document some of her experiences as a business leader and director within this report and will also be joining us at this report's launch event, ready to share her insights and answer your questions. We also very much appreciate the contribution which Jonathan Neale, Non-executive Chair of Filtronic plc, will be making to those discussions as part of our launch event panel.

We also extend our thanks to The Chartered Governance Institute of UK & Ireland (CGIUKI) for kindly supporting this year's report launch event.



Nina Spencer
Founder & CEO
Addidat



Bernadette Young
Founder and Director
Indigo: Independent Governance



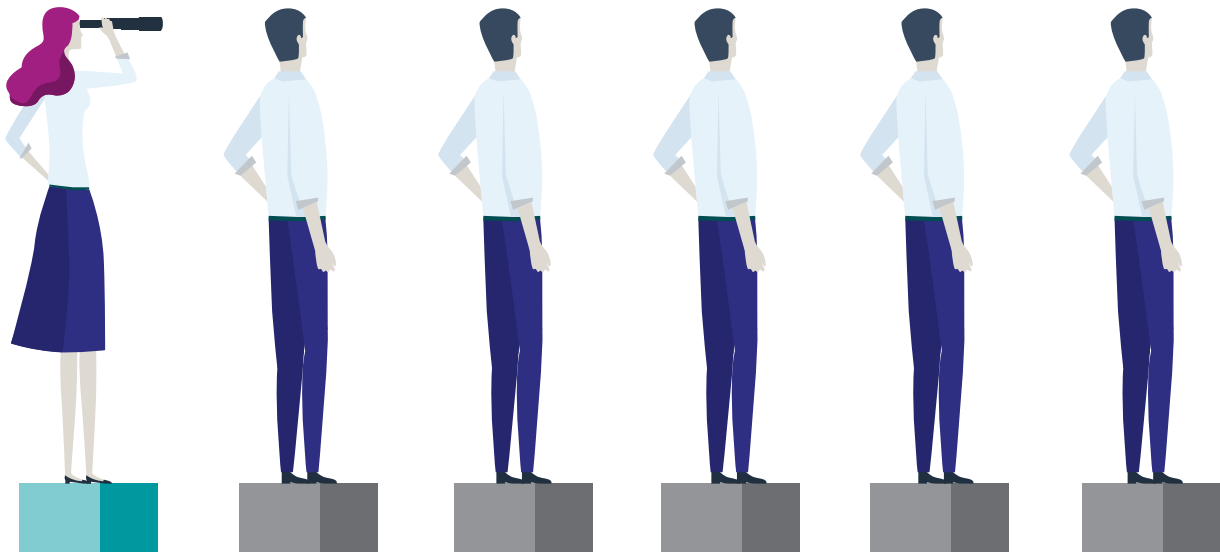
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Female representation on boards has more or less stagnated

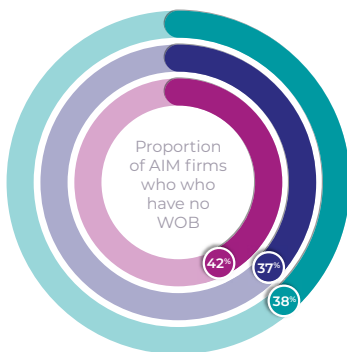
During the last year, assuming an average board tenure of five years, we estimate that, if all new appointments had been made on a gender-balanced basis across the market, the proportion of female AIM company directors would now be 22%.

Unfortunately, many of these opportunities to appoint women have been missed, meaning the actual position is substantially less positive.

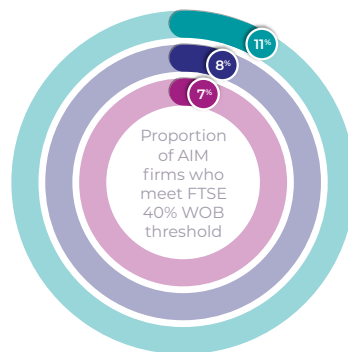
In 2024, we reported that **15.6%** of AIM company board roles were held by women. The percentage of female directors has improved only marginally over the last 12 months and now stands at **16.4%**, meaning last year's **1 in 6 ratio** remains unchanged.



We remain at **1 in 6 board positions** being filled by a female.



Disappointingly, the number of all-male AIM boards has actually increased since last year, with **38%** of AIM companies now having no women directors.



On a more positive note, the number of AIM firms which now have **40%** or more of all board positions held by women has increased from **8% last year to 11%**.

2023 2024 2025

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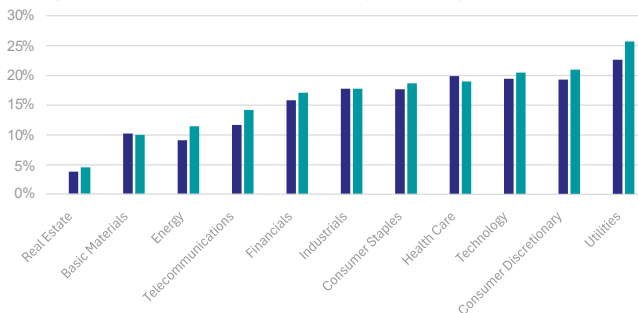
A mixed picture across different company sizes and sectors

The proportion of women directors can vary significantly depending on a firm's market capitalisation and sector.

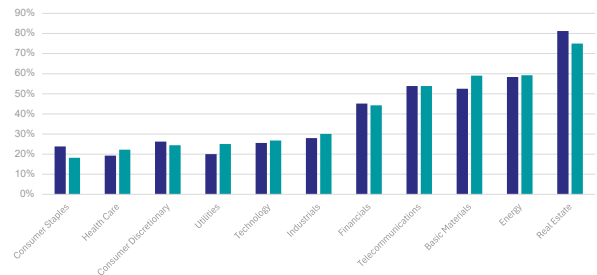
We continue to see the lowest proportion of female directors in **real estate** businesses, where, despite a small increase in women on their boards in the year, more than **95%** of appointments are still held by men. **75%** of such companies have no women appointed to their board at all, although this figure has at least shown a decent level of improvement compared to last year's dismal statistic of **81%** all male real estate sector boards.

At the other end of the scale, the average figure for AIM listed **utilities** sector companies shows **26%** of women directors, up more than **3%** compared to last year but still significantly below the **40%** target set for FTSE350 companies. Average figures can naturally mask the true picture at individual company level. This is demonstrated by the fact that, even in the relatively better performing utilities sector, **25%** of boards still have no female representation.

Average proportion of board positions held by women, by sector



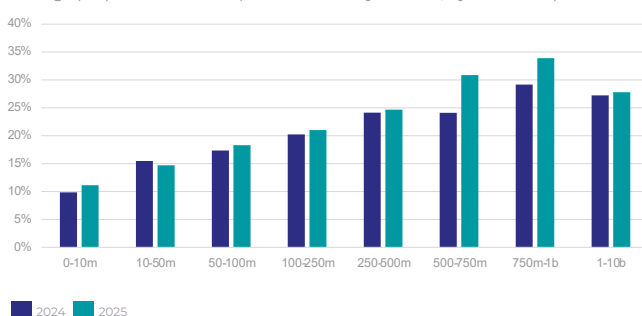
Proportion of firms with all male boards, by sector



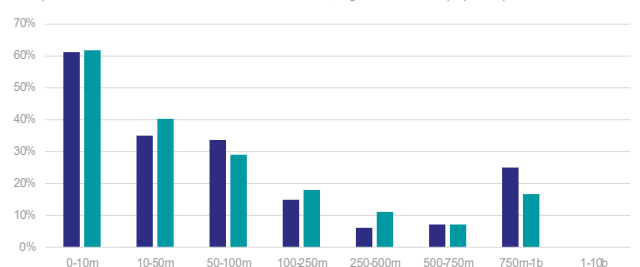
We continue to see gender diversity on boards correlate with the size of company by market capitalisation. Companies below £500m market cap continue to perform particularly badly in terms of their diversity metrics, with little change in average gender diversity of their boards year-on-year, and several instances of a worsening position.

Happily, more significant improvements are being seen within larger AIM companies, with average increases in the proportion of women directors of almost **7%** and **5%** being seen in companies with market caps of £500m-£750m and £750m-£1bn respectively. As last year, there are no all-male boards in companies that have a market capitalisation in excess of £1bn.

Average proportion of board positions held by women, by market cap



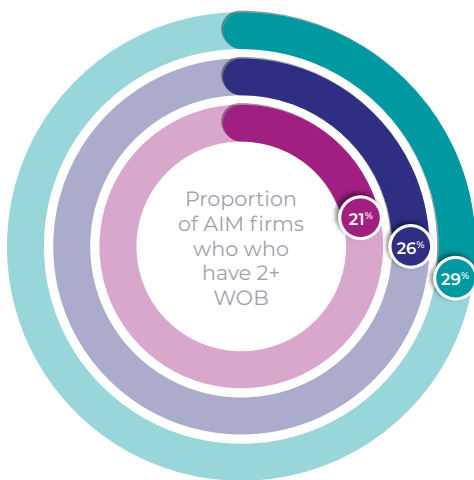
Proportion of firms with all male boards, by market-cap (GBP)



03

Lone female directors continue to be the norm with very few holding a senior position

A 'one and done' approach to appointment of women directors appears to still prevail in many AIM listed businesses. More than half of companies that have appointed a female director have still only appointed one. With the average size of an AIM company board being 5.6 directors, lone female directors find themselves considerably outnumbered by their male counterparts.



2023 2024 2025

Moreover, in **68%** of companies which have one woman director, that lone female does not hold one of the more senior board positions, rendering it even more difficult for them to exert significant influence on boardroom discussions and outcomes. Below we explore why this is an important point.

The ability of gender diversity to change boardroom debate and culture is enhanced when the balance between the number of men and women becomes more even. The impact of a different voice or perspective can be considerably diminished if it is drowned out by an overwhelmingly like-minded majority.

It is therefore pleasing to note that the number of AIM boards with more than one female director is now **29%**, having improved for the second year in a row. The previously published percentages were **26%** in 2024 and just **21%** in 2023.



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Lone female directors continue to be the norm with very few holding a senior position

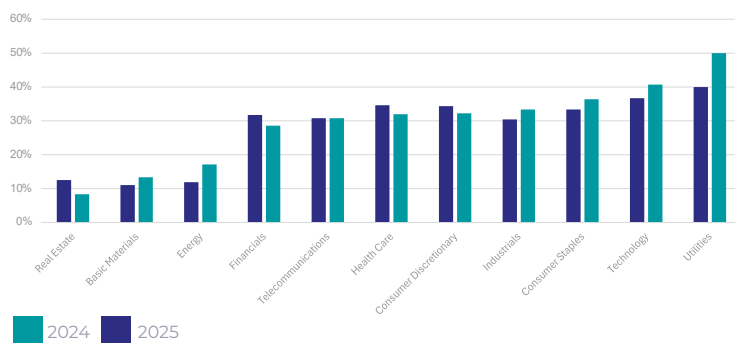
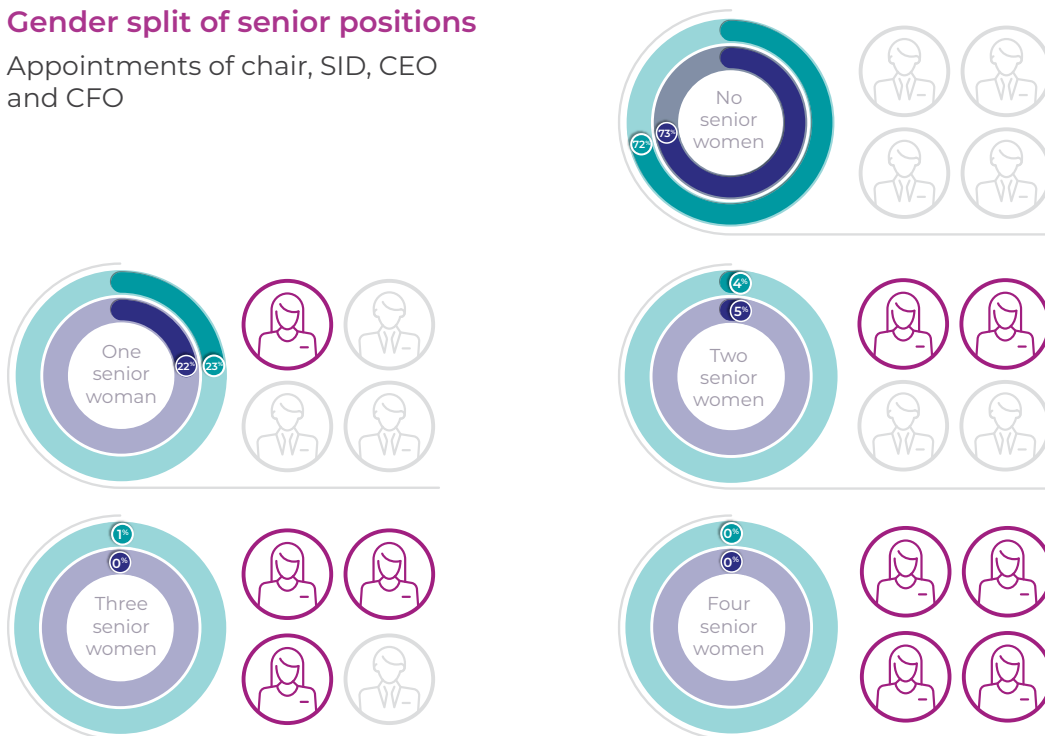
Non-executive directors play a vital role in the good governance of UK companies but, undoubtedly, some board roles are more influential than others. In particular, those who hold office as chair, senior independent director (SID), chief executive office (CEO) or chief financial officer (CFO) have important remits which arguably give them a more powerful voice in the boardroom.

Additat's proprietary data shows that women are particularly underrepresented in these positions within AIM companies, with **72%** of companies still having no females occupying any of these roles, a slight improvement on last year's **73%**. Only **5%** of AIM companies have more than one woman in a senior board role.

Utilities sector companies are leading the way in this regard, with **50%** of them having one or more women in a senior board role.

Gender split of senior positions

Appointments of chair, SID, CEO and CFO



Conversely, the **real estate** sector, which we have noted elsewhere in this report as having the lowest levels of board gender diversity amongst AIM businesses, also takes the bottom slot when it comes to looking at boards with women in senior roles. Just **8%** of **real estate** sector companies on the AIM market have a female **chair, SID, CEO or CFO**.

Insights from Lisa Montague, CEO, Sanderson Design Group

Sanderson Design Group PLC, which traces its history back to 1860, is an international luxury interior furnishings company that designs, manufactures and markets wallpapers and fabrics together with a wide range of ancillary interior products. It is a luxury interior furnishings company united in a single purpose - To Bring the Beautiful into People's Homes and Lives.



In terms of the board gender diversity, Sanderson is a clear leader on the AIM market. Its board of six directors includes three women and has been gender balanced for several years. Both the Group's chair and its chief executive officer are female. Sanderson is one of only four companies listed on AIM where both the CEO and chair are women.

We spoke to Sanderson's CEO, Lisa Montague, to explore her own experiences, and what difference having a gender balanced board has made to the company's governance, and leadership.

- 1 **As a female CEO, you are part of a small minority of women who have made it to one of the top positions in an AIM listed company. Can you describe some of the key challenges and opportunities you've encountered along the way.**

"I count myself as very fortunate, having been offered great opportunities in my life and career – and I have relished seizing them! I was exposed to business from an early age, with two self-employed parents (probably why I never have been) and an early break that took me into international sales, leveraging my language skills and quickly becoming considered an expert in export sales, thriving in cross-cultural environments. Of course, once the pain is over, the joy remains, and the associated challenges of moving abroad alone, taking on massive new challenges and stumbling at the occasional hurdle, pale into a learning experience. I was negotiating franchise agreements internationally as a board director at the age of 25, which gave me a strong foundation for my subsequent career, as it turned out."

- 2 **Improved business performance is often cited as justification for the need for diversity on boards. Does this add pressure to women directors to be better than their male peers in order to 'deserve' their place at the table?**

"I think it is a grave error to view diversity as a competition. Life is a competition but diversity of thought is about recognising the value of everybody present. I have only ever considered the value we can each bring to the table from our insights and experience, however those have been formed or shaped. When we cast for a leadership team, we actively seek different profiles, both for their subject expertise and balance on a team."

- 3 **Sanderson stands out as having a gender diverse leadership. How does that influence its boardroom culture and debates?**

"I am proud of leading a company with gender balance at all levels with an equal board of three men and three women. Our Group Leadership Team is also equal with four men and four women and we have a good balance across our entire community of around 550. I would say that the gender balance contributes to the quality of our debates, as do other differences that we each bring - notably skill trumps everything!"

Insights from Lisa Montague, CEO, Sanderson Design Group

- 4** Many AIM boards still only have a lone female director. How transformational is it to have a more gender balanced situation, and in particular to be able to work with other women, such as Sanderson chair, Dame Dianne Thompson, who also perform a senior role on the board?

"I greatly appreciate Dame Dianne's expertise, guidance and counsel. She brings a wealth of experience and is a recognised leader. As a fellow female, the added value that I appreciate is her intuition and motivational coffee chat and check-ins about how we are all feeling, coping with challenges and she is passionate about the business and the culture of caring for the community of people that makes the company."

- 5** What strategies do you recommend for maintaining and advancing diversity on boards and in the senior leadership pipeline in the long term, ensuring progress is sustainable?

"Being Fit for Future feels never more of a priority than now. In recent years, we have experienced Brexit and border chaos, Covid and factory lockdowns, utility costs spiralling, national political turmoil and global security unrest. As much as I jokingly say internally that it's just another chapter in the book or episode of my future podcast, looking back, it has been a turbulent six years in this role and we have drawn on the strengths of each other more than we would have previously imagined. And strengths, as we know, can often present as over-played under pressure! When looking ahead, we need to consider how we respond under pressure, which types of diversity will help us to maintain a balance for the future as consumer behaviour shifts and channels or routes to market continue to reshape. Now, especially, regional differences and outlooks are dramatically different as the UK plays a less important role on the global stage (for the first time) and we adjust to that new reality and would benefit from viewing the world through the eyes of our target markets. Specifically:

- identify and monitor key roles to deliver the strategy with person specs is important alongside expertise sought to ensure success
- succession planning is key for all key roles
- recruit on a blind basis without personal details up to interview stage to avoid bias
- nurture talent and potential talent in the organisation, finding recognition and reward options when times are tough and pay increases constrained.

- 6** Our report finds that gender diversity in AIM boards significantly lags behind the FTSE 350 and that progress is slow and mixed. How do you think that could be addressed?

"There is no doubt these issues CAN be addressed. Is it a question of smaller companies lacking the resource to recruit, train and support, or merely a question of priorities? As in matters of sustainability, sometimes it is easier to let the big companies lead the way and for the smaller to follow, but that has never been my style and I would urge us all to consider these issues for the health of our businesses in the context of our overall board responsibilities."

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Conclusion

Addidat's proprietary data shows that, whilst AIM companies are making some progress in improving gender diversity at board level, in several areas, previous gains are being reversed.

This confused picture is most likely a product of mixed perceptions and a lack of clear and universal expectations about the importance of board diversity.

At a time when the AIM market is struggling to attract and retain issuers, care should be taken to avoid any perception that additional regulatory burdens are being introduced. However, the AIM community, which comprises many entrepreneurial and high-growth potential enterprises, risks losing out on the benefits of decision making that is informed by the richer boardroom debates that are more likely when participants have different backgrounds, experiences and perspectives.

Steps should be taken across the AIM market to embrace board diversity in a more fulsome manner.

Larger listed companies and some AIM companies have already demonstrated that there is no lack of diverse talent to take on directorships. The time for excuses is therefore surely over. Active prioritisation of diversity factors in considering board appointments should be adopted and investors should insist on appropriate reporting to support their assessment of the board's approach to diversity, both at director level and throughout the wider workforce.



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About



Addidat is the leading ESG consulting and data provider to the AIM and UK small-cap communities.

Our suite of products and services are underpinned by the Addidat Platform, providing the most comprehensive view of ESG performance and data in UK small-cap and AIM markets. This means we help companies to succeed with their ESG and sustainability strategies, avoiding over and under investment, and provide unparalleled insights on ESG performance to investors and intermediaries. Our team of high-calibre consultants provide Management Consulting, Senior Advisory, Outsourced ESG Management, and Investor Data Services to our clients.

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 hello@addidat.com



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We pride ourselves on taking an independent, client-focussed, agile, attentive, and clear approach to all our service provision, and are privileged to do so for numerous clients. We work with boards ranging from large FTSE firms to smaller listed businesses and larger private companies, providing both permanent company secretarial and corporate governance services, as well as shorter-term, transactional and project support and board effectiveness reviews.

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 cosec@indigogovernance.com