



30% Club Japan Investor Group: *Statement of Intent*

May 2019

As asset owners and asset managers we are fiduciaries responsible for the stewardship of our clients' investments. Increasingly, expectations for the responsible exercise of our ownership rights have continued to rise as exemplified in Japan's Stewardship Code. Part of this responsibility includes the assessment of the boards and senior management teams of investee companies.

Boards that genuinely embrace cognitive diversity, as manifested through appropriate gender representation and a broad spectrum of skills and experience, are more likely to achieve better outcomes for investors. There is increasing research to support gender-diverse representation at both the board and executive management levels. Additionally, gender diversity in the board is among the preconditions listed in Japan's Corporate Governance Code to ensure board effectiveness.

In connection with the establishment of the 30% Club Japan, the 30% Club Japan Investor Group is comprised of asset owners and asset managers with the aim to educate and collaborate with boards about effective pathways to increasing gender diversity and gender equality at all levels of the organization.

The purpose of the *Statement of Intent* is to demonstrate the strong commitment that members have in delivering outcomes on gender diversity that are sustainable over the longer-term.

Target

As members of the 30% Club Japan Investor Group, we are committed to achieving a minimum of 10% female representation on TOPIX 100 boards around 2020 and 30% female representation on TOPIX 100 boards around 2030. The Investor Group may establish additional targets which are generally aligned with overall objectives of the 30% Club Japan. We aim to enhance transparency and communication with investors on the board's position on gender diversity and report on progress against established goals.

Disclosure expectations for investee companies

As part of our overall stewardship responsibilities on behalf of our members and clients, we will engage with investee companies on corporate governance issues, including the process the board uses to identify suitable candidates for the board and at senior management level.

To provide investors with a comprehensive understanding of an investee company's diversity policies, we are calling on companies to monitor and disclose the level of gender diversity not only on their boards but at all levels of management. We believe this increased transparency and accountability will help create a stronger pipeline of qualified female board candidates.

Engagement with investee companies

As long-term investors we are committed to gender diversity as a stewardship priority in our engagements with investee companies. We will constructively engage with boards of directors and senior management to promote change and monitor progress on this core stewardship issue. In addition to providing a foundation for engagement with investee companies, the Investor Group may engage in conversations between wider stakeholder groups.

Duties as Owner or Fiduciary

There are a range of tools available to each investor to advance towards the diversity-related targets. Some members may choose to vote against the (re)election of directors of the board and/or the appointment of statutory auditors. In particular some members may exercise their voting rights where there continue to be no evidence of board diversity, and engagement with the board has not led to any satisfactory outcome.

Reporting

We are committed to reporting on a regular basis. We will report on our engagement and voting activity as well as provide examples of companies that champion the adoption of best practices. Ultimately, we will report on our progress measured against our established targets.

Compliance with Laws etc.

The Investment Group is committed to adhering strictly to any confidentiality obligations as well as to the letter and spirit of relevant antitrust laws. Under no circumstances shall the Investor Group be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of members to exercise independent business judgment regarding matters affecting competition. While engaging in these activities, members of the Investor Group should avoid sharing any confidential information about investees with competitors, or share information about how voting rights are exercised to the extent that this is subject to a confidentiality obligation or matters involving any element of competition and shall be expected to take any action, in its sole discretion, in accordance with its own policies and procedures, including those relating to confidentiality obligations and antitrust laws.

Public institutions are to engage the activities within the restrictions on laws and regulations.