



INVESTORS WORKING GROUP

Statement of Intent

As asset owners and asset managers we are responsible for the stewardship of the investments we make on behalf of our members and clients. Part of that responsibility includes the assessment of the boards of our investee companies. We believe 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 this hypothesis.

As investors, we support the vision of the Australian 30% Club which is “to achieve 30% of ASX 300 seats held by women by end-2021.”

DISCLOSURE EXPECTATIONS

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

To provide investors with a comprehensive understanding of an investee company’s diversity policies, we expect companies to be transparent regarding the procedures used to find new members for the board and how that process ensures a diverse board.

As well as disclosures required under the ASX Corporate Governance Council’s Recommendation 1.5, we also expect to see evidence of a culture of commitment to diversity at the board level and the setting of a target for at least 30 per cent female directors. Further details of the types of enquiries we will make and disclosures we will seek are outlined in our Investor toolkit for engaging boards on diversity.

ENGAGEMENT

We will actively engage with board chairs and nomination committees on the issue of board diversity to convey the high level of importance that we, and our clients and members, place on this issue.

We will raise questions where there is evidence that there has been a failure in the nomination process with respect to board diversity.

We may choose to vote against the re-election of the chair of the board or nomination committee, particularly where there continues to be no evidence of board diversity, and engagement with the board has not led to any satisfactory outcome.