



30% Club

GROWTH THROUGH DIVERSITY

30% Club Japan

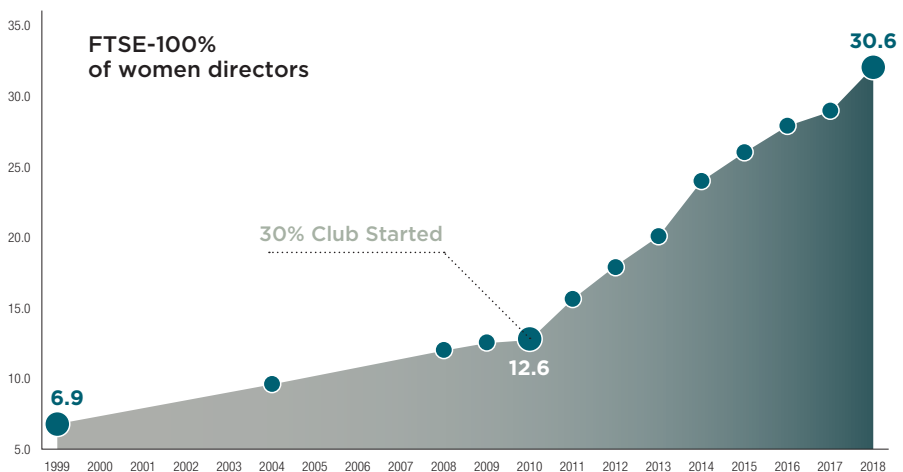
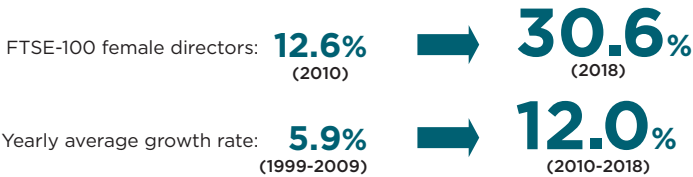
Not Just the **Right** Thing, But the **“Bright”** Thing!

The 30% Club believes that gender balance on boards and in senior management not only encourages better leadership and governance, but diversity further contributes to better all-round board performance, and ultimately increased corporate performance for both companies and their shareholders.

What is 30% Club?

30% Club is a global campaign that started in UK in 2010 to improve the gender balance at board and senior management level of corporations as it increases all-around corporate performance and promote sustainable growth for the future. 30% Club has launched in the following countries: United Kingdom, United States, Australia, Canada, Ireland, Italy, Turkey, GCC, Hong Kong, Malaysia, Japan, South/East Africa, and Brazil.

30% Club has contributed to the dramatic increase of FTSE-100 female directors.



Why more women in senior leadership?

Various studies show that diversity at the top of corporations contributes to sustainable growth and improve long-term company value.

1 Better risk management/ Corporate governance:

Reduce the risk of “groupthink”
Less corporate fraud

2 Better utilization of the talent pool/ Innovative team:

Inclusion advances and more females at all layers of organization
Higher satisfaction by employees and lower turnover rate
Team with diversity exhibits better problem-solving and increased creativity

3 Better financial performance:

Better ROE and other financial KPIs
“Insurance effect” in financial crises (stock price drops less and recovers quicker)

4 Enhancement of corporate reputation:

Membership Benefits

- 1 By publically and internally announcing you are a member of 30% Club, you can show your commitment and leadership for SDGs, ESGs, CSR. You can strengthen your company's brand and appeal to labor market, shareholders, and your employees.
- 2 We will have various events throughout the year and you are entitled to participate in those events as a guest. You could also participate as a speaker when appropriate and share your company's commitment.
- 3 You will be entitled to leverage the initiatives that 30% Club Japan offers. You could speed up the process of building female pipeline at all level of your organization.
- 4 You can expand your network with other companies' CEOs/ chairs, not just domestically but also globally.
- 5 You can mention 30% Club membership in company disclosure reports such as annual report.

Examples:

30% Club member companies disclose their involvement with 30% club in their disclosure reports in order to show their commitment for strong corporate governance, sustainability, CSR, and etc..

1_AVIVA Annual Report 2017

2_Legal & General Annual Report 2017

3_Estée Lauder INC. Annual Report 2017



1



2



3

“A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”

—by Wayne Douglas Gretzky

It is leader's responsibility to judge and determine the direction the company needs to go and quickly make actions.

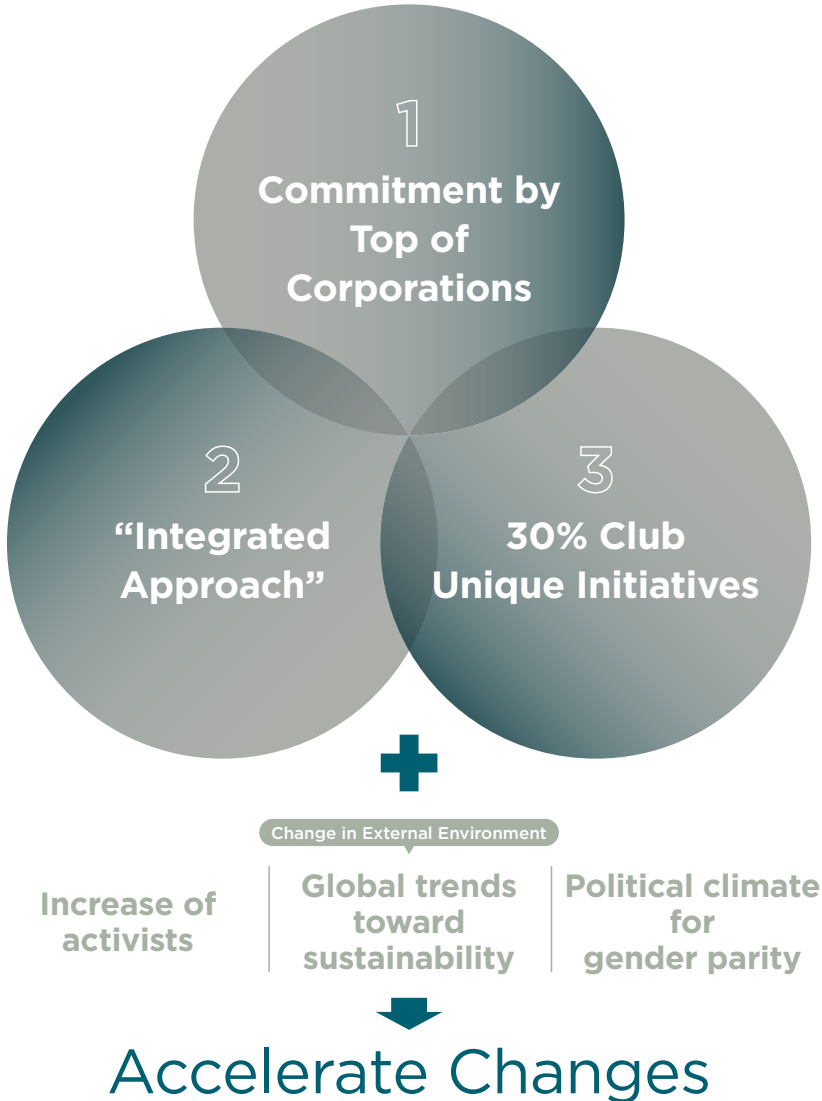
Diversity is not just a compliance matter, but an important part of business strategy for sustainable growth.

Wayne Douglas Gretzky

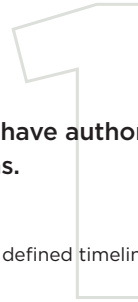
Nicknamed "The Great One", he has been called "the greatest hockey player ever". The above quote is widely used by many prominent leaders, including Steve Jobs.

Approach of 30% Club:

Three Change Drivers



Commitment by Top of Corporations

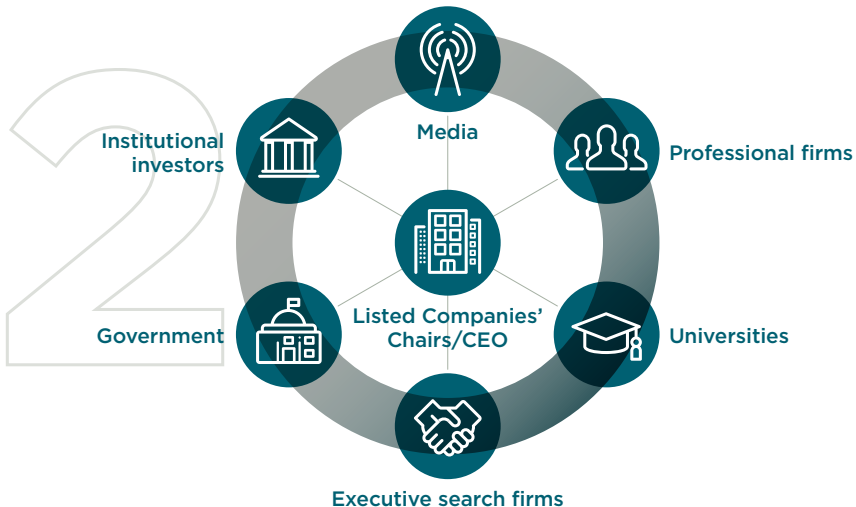


Membership is available only to CEOs and chairs who have authority and resources to drive change within the organizations.

- Set explicit targets at board and/or senior management level with a defined timeline. (Optional) Set aspirational target to be 30% by 2030
- Use your influence to bring about change within your organization.
- Lend your name to the 30% Club campaign in your corporate capacity and signal to both the public and to your organization that you support gender diversity as a business imperative.
- Actively promote the 30% Club and its aims to other CEOs, Chairs and key influencers.

Integrated Approach

30% Club is a “platform” for various influential organizations/institutions to work together and resolve issues much more efficiently and comprehensively.



Proven-to-Work Unique Initiatives

30% Club offers two types of initiatives that tackle the issues of diversity within a organization.

Boardroom Initiatives

Initiatives to directly improve female representation on the board and senior leadership.

- Investor Group
- Chairs/CEO Activation
- Lobbying to the government
- Executive Search Firms, etc

Investor Group

The 30% Club Investor Group co-ordinate the investment community's approach to diversity, in particular to explain the investment case for more diverse boards and senior management teams. Government Pension Investment Fund (GPIF) is one of the members of UK Investor Group.



Pipeline Initiatives

Initiatives to broaden the female pipeline at all level of organizations.

- Cross-Company Mentoring
- The Future Board
- Best Practice Group
- Business School Scholarship, etc

Cross Company Mentoring Scheme

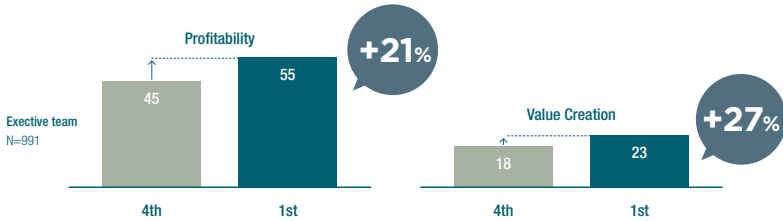
This is part of a series of 30% Club initiatives aimed at helping to develop a broader pipeline of women and 'balance the pyramid' at all levels. Each participating organization defines the pivot point at which it sees a divergence between career paths of men and women, and invites key women in this 'danger zone' into the mentoring scheme.



Business Case

Case 1 Diversity in senior leadership and financial performance

▼ Likelihood of financial performance above national industry median by diversity quartile.

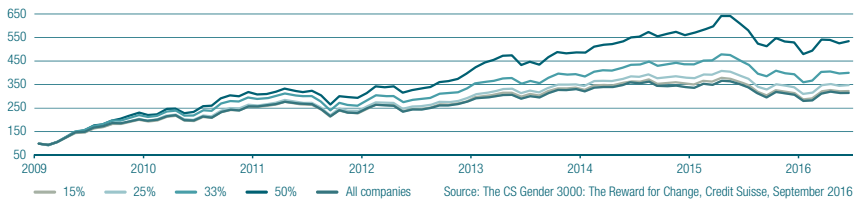


Source: Delivering through Diversity, McKinsey & Company, January 2018

Case 2 Diversity in senior leadership and long-term stock price performance

▼ Companies with more women at the top achieve better stock price performance than those with less women at the top. Studies show that companies with more women in management team perform better than those with more women on the board. Further study shows, however, that presence of women on the board is positively correlated with the number of women in management team: the more women on the board, the more women in the management team. This indicates that diversity on the board advances inclusion of women in organization.

Management team diversity and share price performance



Source: The CS Gender 3000: The Reward for Change, Credit Suisse, September 2016

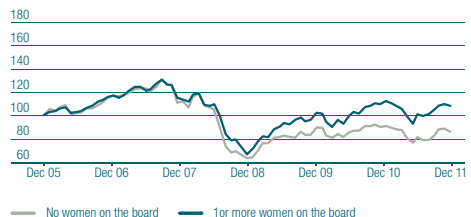
Board diversity and share price performance



Source: The CS Gender 3000: The Reward for Change, Credit Suisse, September 2016

► Insurance Effects:

The share price of companies with more women on the board drops less and recovers more quickly in a bear market.



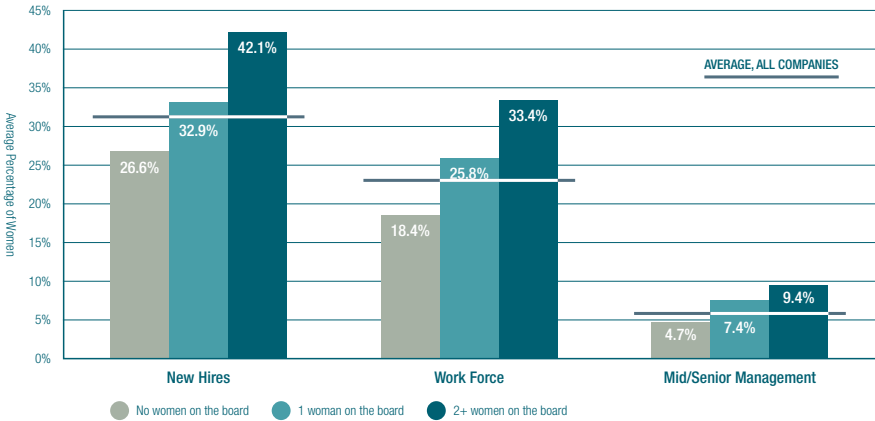
Source: Gender diversity and corporate performance, Credit Suisse, August 2012

Business Case

Case 3 Diversity in senior leadership and Inclusion in organizations

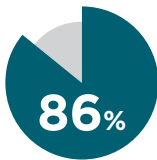
- Studies suggest that presence of women in corporate leadership fosters inclusive culture and promotes inclusion of women in mid to top layers.

Women on the Board and Japanese Women Workers

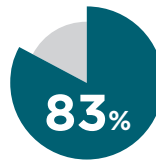


Source: The Tipping Point: Women on Boards and Financial Performance, MSCI, December 2016

- Inclusive company culture contributes to attraction of talented resources and lower turnover rate.



86% of female millennials consider a company's inclusion policies before accepting jobs



83% of millennials are actively engaged when they believe their organization fosters an inclusive culture

Source: Inclusion Playbook, Deloitte, 2017

Theory of Morality and Economy As One



Eiichi Shibusawa (1840–1931)

Called "Father of Japan's Capitalism," Shibusawa founded 500 banks and corporations including the Japan's first bank. He believed in the ideology that states that it is not unnatural that corporations pursue their financial benefits, however, there should be a moral purpose underneath and they should not forget their responsibility for the prosperity of a county and all humankind.

30% Club supports Japanese corporations with structural reform

Today Japanese corporations are under tremendous pressure from overseas/domestic shareholders and institutional investors for a structural reform as a number of issues that Japanese corporations face today such as low ROE, weak corporate governance, and gender imbalance are rooted deeply in the rigid corporate structure which was built basing on the past successful business model.

Many corporations now promote diversity, however, without addressing the root cause, the effect is temporary and limited. One of the most important factors for a structural reform is to secure diversity in a senior leadership and decision making bodies as considering many different stakeholders and eliminating “group think” are very critical for a real change. It is also important that diversity in the senior leadership and decision making bodies reaches 30%, the critical mass which is required to affect decision making.

30% Club Japan supports Japanese corporations not only by addressing the issues of diversity at the top, but also by broadening female pipeline at all layers of organizations for a sustainable change.

30% Club is a “platform” for various organizations such as institutional investors, government, media, professional firms, executive search firms and universities to work together and addresses the issue much more comprehensively and efficiently.

Contact

30% Club Japan Campaign Manager: Michiko Tadamatsu

✉ jpdt30percentclubr@tohmatu.co.jp

🌐 <https://30percentclub.org/about/chapters/japan>

