

30% Club Germany Investor 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 leadership of our investee companies.

The German government has committed to increasing the proportion of women on supervisory boards to 30% by 2030¹ and introduced a law requiring companies to appoint at least one woman to the management board.² Yet this regulation does not apply to all DAX-listed companies and we would expect it to take time to drive significant and sustainable change. Despite being one of the largest economies in Europe where the initial talent pool is relatively evenly split³, Germany is lagging behind its international peers with respect to gender equality at the very top of companies and change continues to be slow.⁴

As of August 2023, women accounted for an average of 39% on the supervisory boards of the 40 largest German companies. However, only 22% of management board members on average were women and only one company had a female CEO.⁵ Looking at the MDAX, the proportion of women at the executive level is even lower: 15.6% of board members are female, and there is not a single female member on almost half of the boards. Moreover, nationwide, the share of women in the first and second management levels is significantly lower than their share among all employees.⁶ It is concerning that female representation in leadership positions decreases significantly with increasing decision-making power, confirming a persistent glass ceiling that prevents women from reaching top positions.

We believe both supervisory and management 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.⁷ Gender equality importance is also reflected through a dedicated UN Sustainable Development Goal (SDG 5 – Gender Equality) making the issue among the most pressing ones to achieve by 2030.

In light of these considerations, 30% Club Germany Investor Group starts a business campaign aiming to boost the number of women in board seats and executive leadership of DAX40 and MDAX companies in Germany across various sectors. The main purpose of this Statement of Intent is to signal the collective voice of the 30% Club Germany Investor Group to companies and the wider marketplace, and to demonstrate how members are using their ownership rights and undertake stewardship to promote progress on gender diversity. The 30% Club Germany Investor Group acknowledges the need for better corporate diversity in all its forms and our main objectives are as follows:

¹ [Gleichstellung von Frauen und Männern | Bundesregierung \(bundesregierung.de\)](https://www.bundesregierung.de/bundesregierung)

² [BMFSFJ - Zweites Führungspositionen-Gesetz - FüPoG II; applicable to management boards with at least 3 members.](#)

³ [Women and Men in Germany \(bmfsfj.de\)](https://www.bmfsfj.de)

⁴ [AllBright+Bericht+Herbst+2022_EN.pdf \(squarespace.com\)](#)

⁵ As of August 2023, company reported data;

⁶ [Führungspositionen in Betrieben und Verwaltungen - Der Weg nach ganz oben bleibt Frauen oft versperrt \(iab.de\)](https://www.iab.de)

⁷ Steven Turban, Dan Wu and Leitan (LT) Zhang, "[Research: When Gender Diversity Makes Firms More Productive](#)", Harvard Business Review, 11 February 2019.

1. Aspirational target of at least 30% by 2030 for DAX40

As members of the 30% Club Germany Investor Group, we expect executive management teams of the largest 40 German companies to attribute **at least 30%** of seats on management boards to women by 2030. We aspire to include MDAX companies in this target going forward. In addition, we expect from every DAX40 company to reach at least 30% of women on their supervisory board. Research shows that critical mass is achieved once the 30% hurdle is passed.⁸ This is the point at which the contributions of a minority group are heard and valued, and have an impact on the decision-making dynamics of leaders. Higher female participation on management board level would entail an important signalling function for lower levels of management. Yet this percentage target is an aspirational goal that marks the starting point for wider engagement with companies (see objective 3). Instead of focusing on a quota for female participation, we seek to promote equal opportunities.

2. Disclosure expectations from investee companies

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 used to identify suitable candidates for executive management teams.

To enable investors to fully understand a company's diversity and inclusion policies as well as practices and processes, we expect companies to be transparent about the procedures for seeking and appointing new directors and how this process ensures a diverse leadership committee. We also call on companies to provide information on how diversity materializes at every level of management, especially the share of women in the first and second management levels. We believe this transparency will allow investors and other stakeholders to understand how companies promote gender diversity. We expect the companies to build a gender diverse pipeline all the way to the top.

In addition, we expect to see evidence of a culture of commitment to gender diversity and inclusion at the executive management level and across all the layers of the hierarchy. To better address the underlying challenges in Germany, we will advocate for more transparency regarding the progress in middle and senior managerial positions, the gender pay gap, paternity leave taken among men, and family-friendly company policies.

3. Engagement with investee companies

The engagement objective is to understand and encourage companies to work on the invisible hurdles that hamper progress. Hence, we call on companies to consider women for operational roles where they are often underrepresented and encourage companies to develop an internal female talent pipeline, on which they can revert to for the appointment of a new woman at the executive management team. Our engagements will target the chairperson of the board as well as CEOs and Head of Human Resources.

We will raise questions where there is evidence that there has been a failure in the nomination process with respect to executive management diversity. Individually as investors, 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 diversity at executive management levels, and engagement with the company has not led to any satisfactory outcome.

4. Reporting

We are committed to reporting, on a regular basis, examples of engagement activity as well as any

⁸ The Lime Group, "[Critical mass and tipping point in change efforts](#)"

voting activity undertaken. The engagement might be reported through case studies where collective engagement with some or all 30% Club Germany Investor Group members has taken place.

5. Examples of best practices

In addition to putting pressure on companies to perform better on diversity, the 30% Club Germany Investor Group is keen to highlight examples of companies that are leading the way in this area.

6. Documentation

The 30% Club Germany Investor Group aims to provide companies with a list of key gender metrics and disclosure expectations, as well as policies, best practices and processes that have proven successful in creating a gender diverse and inclusive workplace.

7. Compliance with Applicable Laws

The Investor Group shall comply with all laws, rules and regulations, if any, applicable to it in connection with the performance of its commitments under this Statement of Intent as long as the new legal objectives are more stringent than the ones originally set by the Investor Group.

The 30% Club Germany Investor Group does not require or seek collective decision-making or action with respect to acquiring, holding, disposing and/or voting of securities. Participants are independent fiduciaries responsible for their own investment and voting decisions and must always act completely independently to set their own strategies, policies and practices based on their own best interests. Members do not act or speak on behalf of each other.

The use of particular engagement tools and tactics, including the scope of participation in engagements led by members of the 30% Club Investor Group Germany, is at the discretion of individual signatories. The Investor Group facilitates the exchange of public information, but signatories must avoid the exchange (including one-way disclosure) of non-public, competitively sensitive information with other members and participants in engagements.

Members may not claim to represent other signatories or make statements referencing other signatories without their consent. Any decision by signatories to take action with respect to acquiring, holding, disposing and / or voting of securities shall be at their sole discretion and made in their individual capacities and not on behalf of the 30% Club Investor Group Germany or their other members. Members must avoid coordination of strategic behaviour between competitors that impacts competition.