

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 and senior management teams¹ of our investee companies. We believe boards and senior management teams that genuinely embrace cognitive diversity, as manifested through appropriate gender representation and a broad spectrum of backgrounds, skills and experience, are more likely to achieve better outcomes for investors. There is much research to support this hypothesis.

The main purpose of this Statement of Intent is to signal the collective voice of the 30% Club UK Investor Group to companies and the wider marketplace, and to demonstrate the ways in which members may use their ownership rights and undertake stewardship to encourage progress on gender and ethnic diversity.

Target

As members of the 30% Club UK Investor Group, we are committed to supporting the following targets:

- **Beyond 30%** female representation of FTSE 100 CEOs & chairs by 2035
- **50%** female representation in FTSE 100 ExCo and Exco-1 by 2035
- Fully support the **Parker Review's targets***

**As of February 2025, the Parker Review's targets have recently expanded in scope beyond board directorships to include key senior executive positions, and beyond FTSE 350 to include the UK's 50 largest private companies. In addition, the Parker Review has invited businesses to set their own targets for the end of 2027 with regards to the share of minority ethnic executives in their senior management teams.*

Disclosure expectations for 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 the board uses to identify suitable candidates for the board and at senior management level.

We will seek an understanding of an investee company's diversity policy. We expect companies to be transparent regarding the procedures used to find new members for the board and at senior management level, and how that process ensures a diverse board and senior executive pipeline.

As well as disclosures required under the UK Corporate Governance Code, we also expect to see evidence of a culture of commitment to diversity at the board level, senior management and across the organisation.

¹ For the purpose of this statement we define senior management as executive leadership and the management level below.

Engagement with investee companies

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

We may raise questions where there is insufficient evidence that there has been a rigorous nomination process with respect to diversity of the board and senior management.

Members may choose to independently vote against the re-election of directors, particularly where there continues to be no consideration of board diversity, and engagement with the board has not led to any satisfactory outcome.

Exercise of ownership rights

As a general approach, this could involve voting actions in listed companies in two areas:

Directors (re)elections - Board Chair and/or Nominations Committee Chair

The nominations committee should ensure that the board has the appropriate range and balance of skills, experience, independence and knowledge. The Chair of this committee shares a responsibility with the board Chair for ensuring that directors are appointed on merit, against objective criteria and with due regard for the benefits of decision-making. Investors could consider not supporting the nominations committee Chair and/or board Chair of those companies that still fall short of expectations.

Report & Accounts

Companies should include disclosure on their diversity policy and implementation (or make reference to disclosure elsewhere) in the Report & Accounts. Investors could consider not supporting the Report & Accounts resolutions if the diversity statement is not considered satisfactory (for example, if a statement does not include specific reference to a stated policy and/or actions regarding how directors are appointed) or there is no clear evidence that diversity is being sufficiently considered by the board. Whilst our initial focus will be on FTSE350 companies, we will be encouraging similar disclosure from FTSE Small cap and private companies. We would also encourage any company considering a listing to introduce a diversity policy along similar lines.

Exemplars of best practice

In addition to encouraging companies to appoint on merit by performing better on diversity, the 30% Club UK Investor Group is keen to highlight examples of companies that are leading the way in this area.

Reporting

We are committed as individual members to reporting, on a regular basis, examples of engagement activity as well as any voting activity undertaken.

As a guide, voting could be reported showing the company sector, market cap and the specific resolution voted on.

Some engagements will be reported through case studies where collective engagement with some, or all 30% Club UK Investor Group members has taken place.

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.