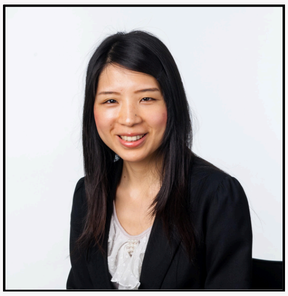
30% Club UK Investor Group

2025/26 Report

Foreword from Co-Chairs of the 30% Club UK Investor Group

Diandra Soobiah
Director of Responsible Investment, Nest



Sachi Suzuki
Stewardship Director, HSBC Asset Management

Welcome to our inaugural newsletter. We hope it gives members and other stakeholders a clear overview of the work of the 30% Club UK Investor Group and its activities and outcomes across 2025/6, including progress on our company engagements to support the UK chapter's new targets.

We're proud that the 30% Club UK Investor Group, which brings together around 39 investors with £15 trillion in assets under management[1] continues to serve as the central hub for UK asset owners, asset managers and investment intermediaries to share knowledge and take targeted action in UK companies that's driven by the investment case.

This has been a year where efforts on diversity, equity and inclusion (DEI) have faced real headwinds driven largely by political volatility. However, against this backdrop, we are proud that the UK Investor Group has continued to show up, collaborate, and use its influence to advance DEI in the companies we invest in. We remain convinced that diverse and inclusive boards, executive teams and workplaces support stronger decision-making, better governance and long-term financial performance.

Encouragingly, the focus on diversity has not disappeared from UK companies either. The recently published FTSE Women Leaders Review (February 2026) and Parker Review (March 2026) reports show a broadly

[1]Investor and assets under management figures are based on information provided by participating organisations and are intended to be indicative only. Assets under management may include double counting where both asset owners and asset managers are represented.

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positive picture on representation at the top of UK business, particularly at board level. At FTSE 100 companies, women now account for 44.4% of board roles. And 98 out of the 100 FTSE 100 companies have at least one director from an ethnic minority group on their board.

This is meaningful progress, and we need to sustain momentum. But we also need to look beneath board composition to ensure there is a strong and diverse senior leadership pipeline, to support progress that is durable over time. The FTSE Women Leaders Review report shows that in the FTSE 100, women's representation across leadership has improved over time, with the percentage of executive committee roles represented by women rising from 25.9% in 2021 to 33.3% in 2025, and women among direct reports (ExCo-1) increasing from 33.5% to 37.6% over the same period. This suggests the pipeline is strengthening, but is still far from our ultimate goal of parity.

We are also seeing slightly slower progress on ethnic representation at leadership level. The Parker Review reports that in the average FTSE 100 company, 11% of UK-based senior managers (ExCo and ExCo-1) are from ethnic minority backgrounds. This is unchanged from the prior year, and sits below the 17% of people from ethnic minority backgrounds in the 30 to 69 age group, which the Review uses as its population comparator based on 2021 Census data for England and Wales. The overlap of gender and ethnicity remains a particular pressure point, according to the Parker Review report. Women from ethnic minority backgrounds represent 6% of the total FTSE 100 UK-based senior management population (up from 5% in 2024), indicating progress but from a low base. And at the very top, the "double glass ceiling" is still prominent - despite 14 FTSE 100 CEOs being from an ethnic minority background and nine being female, there are still no FTSE 100 CEOs who are women from ethnic minority backgrounds. We think this area of intersectionality is underexplored, and later in the newsletter we set out our plans to do further work on this.

It's important to remind our readers that the 30% Club is a global campaign which operates across more than 20 countries – from Australia to Mexico. Moreover, there are investor groups now established in many of these countries: Australia, Brazil, Canada, France, Germany, Hong Kong, Ireland, Japan, Poland and the UK. Each of these investor groups works independently in their own markets, often with separate targets. We're therefore also pleased to have included a global perspective for our UK Investor community by facilitating engagement opportunities for our members to get involved and join company engagements led by other 30% Club investor groups.

We're also pleased to see that progress has not halted at the policy level. In March 2026, the UK government published its response to the consultation on mandatory ethnicity and disability pay gap reporting, confirming its intent to proceed for large employers and to align the approach with existing gender pay gap reporting.

This is a positive step for transparency and accountability, and reflects efforts of ShareAction, its coalition investor members – amongst others - in proactively pushing for this to be introduced. This underlines the role that investors can play not only through company engagement, but also through policy advocacy. This was highlighted in our member survey as an area the group could be more actively involved in, and something we will look to explore in the future.

Finally, we want to express our gratitude to all our members who have contributed time, insight and leadership over the year. We also warmly welcome those who are not yet actively involved to take part in ways that suit your capacity, whether that is supporting company engagements, contributing to research, or helping shape new strands of work.

We want to say a particular thank you to Jeffrey Ndeti who stepped down from his co-chair role on the Fix the Exec working group, for his leadership and coordination. We are grateful for the amount of time and care he put into this work, helping to shape our strategy as the broader initiative and market standards evolved.

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Beyond 30% and beyond boards

When the 30% Club was first established in the UK in 2010, women accounted for less than 12% of FTSE 100 board members. We called on chairs and CEOs to commit to gender diversity as a business objective and aim for at least 30% female representation. Now that there's just over 44% female representation on FTSE 100 boards, we are focusing our efforts at the executive committee level, where representation is currently 33%.

In 2025, the 30% Club UK Chapter announced new targets. These are:

- Beyond 30% female representation of FTSE 100 CEOs and chairs by 2035
- 50% female representation in FTSE 100 ExCo and ExCo-1 by 2035
- To fully support the Parker Review's race targets[2]

An update on Fix the Exec – our engagements with FTSE 100 companies

The Fix the Exec working group relaunched its engagements ahead of the 2025 AGM season, aligning our objectives to the UK Chapter targets. We prioritised the second and third targets, and in particular chose to home in on ExCo gender and ethnic minority representation, rather than combining ExCo with ExCo-1, recognising that ExCo representation is still less visible and scrutinised in public reporting. This is because leadership representation is often presented as a combined measure of ExCo plus direct reports, which can mask weaker representation at the more senior levels.

We focused our efforts on FTSE 100 companies with the lowest reported gender and/or ethnic minority representation at executive level, and where

[2]The Parker Review now expects FTSE 350 companies to set percentage targets for ethnic minority representation within senior management. It also calls on the 50 largest UK private companies to set a target to have at least one ethnic minority director on the main board, alongside setting targets for ethnic minority representation in senior management to be achieved by December 2027.

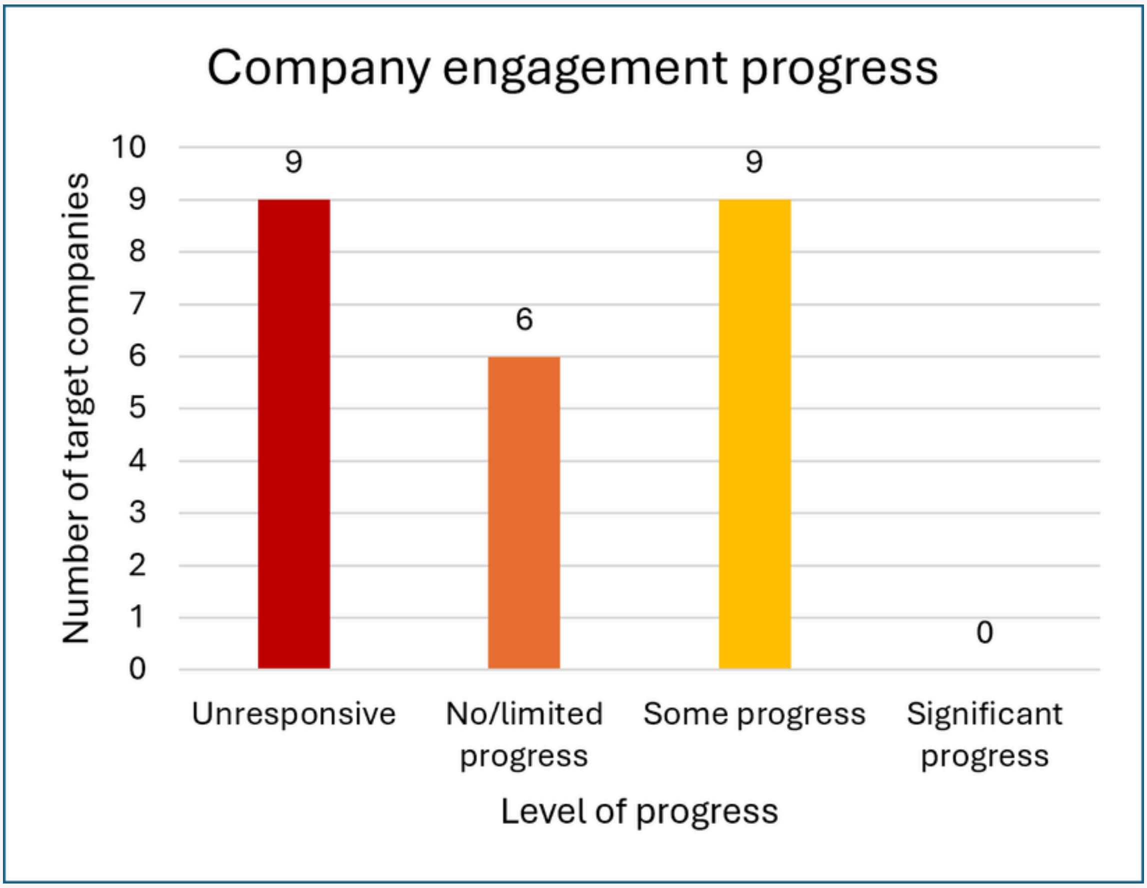
members of the group were able to take on lead or supporting roles based on their own stewardship priorities and capacity.

To kick off engagement, lead investors sent tailored letters to each target company. These letters set out why executive diversity matters for decision-making and business performance, explained why the company had been identified as a laggard on gender and/or ethnicity representation, and asked for clearer commitments and specified actions. The letters also invited companies to meet with investors to discuss their approach and agree next steps.

Overall, we have 10 active investors and 24 target companies. Of these 24 companies, investors met with 7 of them, received written responses from 8 of them and are yet to hear back from 9. Below you can see further detail on the progress of these engagements, outcomes and key trends and takeaways so far.

Engagement progress and insights

The chart below provides an overview of the progress made by the target companies.



To do this, lead investors assigned a rating to each company based on their own assessment of the degree to which the company has made progress towards improving gender and/or ethnic minority representation at ExCo level. Ratings were informed by what companies shared through engagements and any changes in the data the group tracks over time.

We are yet to confidently say that any of the companies we've engaged with have made significant progress. However, we did see some promising improvements/commitments from 9 companies. Among those showing early signs of progress, a clear pattern emerged that they were moving beyond broad commitments and embedding inclusion into core people processes, with clear accountability and measurable interventions.

Common themes included:

- Strengthening leadership pipelines: Many companies emphasised pipeline-building, recognising that sustained improvement at ExCo level depends on widening the pool of future leaders. Interventions often centred on more structured approaches to talent development, including targeted leadership programmes, mentorship and sponsorship, and earlier identification of high-potential talent, with clearer links to succession and promotion planning.
- Aligning incentives and outcomes: A number of companies described steps they have adopted to strengthen accountability, including using performance frameworks and incentives.
- Improving data quality and internal transparency: Several companies highlighted investment in better diversity data, particularly around ethnicity, including encouraging higher disclosure rates. The most useful examples were where companies described how they were using data to identify "pinch points" in progression or to link representation insights to other metrics, rather than treating disclosure as a compliance exercise.

A further group of 6 companies were responsive to engagement, but we observed little or no progress at all. These conversations were still valuable in helping us understand the practical barriers that can slow change, and several themes came through:

- Global versus local requirements: For some multinational businesses, differing legal and regulatory regimes across jurisdictions can constrain what is collected, reported, or targeted consistently across the organisation. Some

- reflected that this can lead to a more cautious, “globally compliant” approach that is not always as specific or transparent as investors would like, particularly on ethnicity data.
- Sector and geography pipeline constraints: Several companies pointed to structural pipeline challenges in particular sectors and labour markets, with low representation of women and people from ethnic minority backgrounds at entry and mid-career levels.
- Volatility in reported numbers: A common risk identified among many target companies was that when companies have small leadership teams, a single departure can materially affect diversity metrics. Many recognised that an ongoing focus on succession planning and internal development is needed to maintain progress over time.
- Group versus subsidiary-level delivery: It was harder to see consistent progress where companies operate complex group structures with a high degree of autonomy at subsidiary level. Differences in leadership practices, data collection and accountability sometimes led to diluted group-wide approaches.

Unfortunately, this year we observed a lack of responsiveness from many companies. We cannot be sure what has driven this, but this unwillingness to engage with investors limits our ability to understand the barriers they have faced in addressing an issue that remains material to effective leadership and long-term performance. In these cases, we shared the list of unresponsive companies with the wider UK Investor Group, so that members can take this into account as they consider their own stewardship approaches ahead of those companies’ annual general meetings.[3]

Overall, it’s a mixed picture, but we also recognise that these are long-term engagements. We don’t expect companies to change overnight, and interventions taken by companies to improve DEI within the workplace take some time to materialise into improved reported gender and/or ethnicity representation in executive leadership. So we’ll continue our efforts over the next year, making sure to follow up with unresponsive companies, continue to push laggards, and keep sustained pressure on companies that have made partial progress to ensure their commitments translate into tangible outcomes.

We always encourage more Investor Group members to join supporting this work, whether by adding weight to existing engagements where progress is slow or companies have been unresponsive, or by helping us extend coverage to additional FTSE 100 laggards. If you would like to get involved, or would like information on the target list, please contact Chloe.Horne@nestcorporation.org.uk.

[3]Members of the group are independent fiduciaries and retain sole responsibility for their own investment and voting decisions. Any stewardship actions are undertaken at each investor's discretion.

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Global collaboration with other 30% Club investor chapters

Over the past year, we've been putting more structure around how the 30% Club investor groups work together across countries. We started exploring this in late 2024 and made good progress through 2025, with several conversations involving the investor group leads in Ireland, Canada, France and Germany. Our focus has been on making it easier for members in one chapter to support engagements with companies led by another, without needing to hold formal membership in multiple groups.

To support this, we've agreed a clearer purpose and remit for global collaboration and put a coordinator role in place to help chapters stay connected and keep things moving. We've also started sharing company engagement target lists through the Principles for Responsible Investment (PRI) Collaboration Platform. This has led to cross-chapter engagements, particularly between the UK and Ireland to date, and we are seeing encouraging momentum with other chapters as well.

We were pleased to elevate this work even further at the 30% Club Global Conference. Sachi Suzuki, co-chair of the UK Investor Group, attended this conference in Dublin alongside the other Chapters including those in Ireland, France, Germany, Poland, Turkey, Hong Kong, Brazil and Colombia. In a strategy session with the coalition, the UK and Irish investor group leads shared our plans for building more coordinated engagement across chapters. The discussion generated helpful questions and practical examples from other markets, and it was clear there is appetite to be involved as the collaboration develops.

Knowledge sharing: highlights from our quarterly meetings

Across our recent UK Investor Group quarterly meetings, we have continued to prioritise external guest speakers and dedicated educational sessions. These sessions are designed to give members space to step back from regular agenda items and engage with the broader policy, market and societal context shaping the DEI landscape. Below is a summary of these sessions throughout the year.

Proxy voting trends and evolving investor expectations – Lindsey Stewart, Director of Institutional Insights, Morningstar:

In Q2 and Q4 of 2025, Lindsey Stewart from Morningstar provided insights into proxy voting trends, focusing first on developments in

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the US context and later on outcomes from the full proxy season.

He highlighted a continued decline in the overall volume of environmental and social shareholder resolutions, influenced in part by regulatory and legal changes in the US, including updated SEC guidance. At the same time, there has been a rise in anti-ESG and anti-DEI proposals, reflecting a more contested and politically charged environment for these issues.

Despite this shift, support for traditional ESG and DEI resolutions has remained relatively stable, and governance-related proposals have seen support return to longer-term averages. Lindsey also noted that investor voting behaviour appears to be becoming more consistent over time, suggesting that many institutions have settled into clearer positions and voting frameworks.

A consistent message across both sessions was the growing importance of clarity and precision, both in the way investors articulate their voting approach and decisions; and in how resolutions are presented - particularly as scrutiny of investor voting behaviour continues to increase.

Insights from 2025 AGM season on sustainability-related resolutions can be found in Morningstar's most recent research paper.

DEI data, human capital and market signals - Anders Rodenberg and Kristian Wredstroem, Denominator:

In Q3 2025, we heard from Denominator, a social issues and human capital data specialist, who shared insights on global DEI trends and the implications of political developments for corporate behaviour. The session explored how US executive orders and political pressure are influencing companies' public disclosure, with some firms becoming more cautious or rolling back visible DEI initiatives.

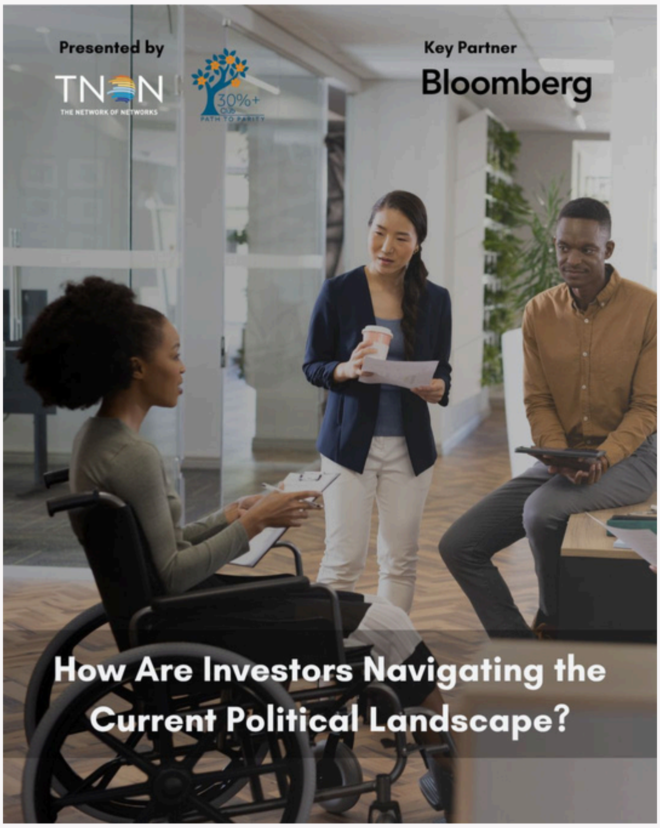
Denominator emphasised that this has implications for data availability and quality, requiring investors to draw on multiple sources, including alternative and employee-reported datasets. They also shared research challenging the narrative that DEI undermines merit, showing that women and women of colour are often over-represented in high-performing companies. A key takeaway was the growing effectiveness of framing DEI within broader human capital management, particularly in the context of ageing workforces and talent retention challenges.

Reflections on progress and the role of investor action - Tamara Box, founding member of the 30% Club Steering Committee:

In Q1 2026, the group was joined by Tamara Box, a founding member of the 30% Club Steering Committee, who reflected on the evolution of DEI efforts globally and the origins of the 30% Club. Drawing on her personal experience, Tamara spoke about the limitations of relying on trickle-down progress and the persistent challenges at executive level.

She highlighted that while board-level gender representation has improved, progress in executive leadership remains slower and more uneven, reinforcing the need for sustained investor pressure. Her reflections underlined the continued relevance of the 30% threshold and the importance of collective investor action in a more contested political and social environment.

Co-hosting the Global Investor Strategy and Corporate Governance Forum – a write up



In June 2025, we co-hosted the Global Investor Strategy and Corporate Governance Forum (GISF) alongside The Network of Networks (TNON) and INvolve, with Bloomberg as key partner and host.

The Forum focused on how investors are navigating an increasingly complex political landscape, with particular attention on the growing pressure on DEI commitments. While DEI has become embedded in corporate strategy and governance over the past decade, participants reflected on how recent political and cultural shifts, particularly in the United States, are influencing how these commitments are communicated and delivered.

The session brought together perspectives from across asset ownership, asset management, corporate leadership and stewardship research. Speakers included senior representatives from Bloomberg, Morningstar Sustainalytics, Allspring, Adobe and Phoenix Group.

A central theme was the transition from a period of strong momentum on DEI to a more ambiguous environment. Many organisations remain committed in substance, but are adopting a more cautious public approach. In some cases, explicit DEI language is being replaced with terms such as "belonging", "inclusive culture" or "equitable outcomes", reflecting efforts to manage political and regulatory risk while continuing inclusive practices.

From an investor perspective, the discussion highlighted the continued importance of stewardship and voting. Although anti-DEI shareholder proposals have increased, these are typically rejected by large majorities, signalling limited investor support for rolling back inclusion efforts.

Participants also emphasised the need for greater transparency around voting decisions and stronger alignment between public commitments and stewardship behaviour.

Looking ahead, there was broad agreement that DEI will remain a live and contested issue. Rather than reacting to political volatility, speakers stressed the importance of embedding inclusion within core business strategy, risk management and long-term value creation, and for investors to ask more sophisticated questions about how inclusion contributes to resilient, well-governed organisations.

Future plans on intersectionality

We're pleased to announce that we will be collaborating with external partners to publish a research paper on intersectionality. The research will look at the overlap of gender and ethnicity, including current representation at board and executive levels, alongside practical insights on structural and cultural barriers, and what investors can do to help shape outcomes.

We expect to publish this paper by the end of the year and would welcome input from members of the UK Investor Group. Please reach out to Chloe.Horne@NestCorporation.org.uk if you are interested.

Looking ahead – UK Investor Group survey results

In early 2026, we asked members of the UK Investor Group to complete a short survey on where we should focus next, and how we can increase our collective impact. The responses reinforced strong support for our core programme of engagement with FTSE 100 companies, but also highlighted a clear appetite to broaden our work in a few areas. In particular, members expressed an interest in:

- Exploring engagement with private companies – Better inclusion within private companies could also help build a stronger pipeline of
- diverse leadership talent into UK listed companies over time,
- given the flow of executives and board members between private
- and public markets
- Collaborating more closely with other 30% Club investor chapters globally, building on the progress outlined earlier in this newsletter
- Contributing to public policy dialogue in the UK, as demonstrated by the recent progress on mandatory ethnicity and disability pay gap reporting

Over the coming months, we'll work with the group to explore how we take these recommendations forward, and we'll share updates as our plans develop.

Interested in getting involved?

We encourage any investor located in or investing in the UK to get involved.

Membership of the 30% Club UK Investor Group is free and provides significant benefits including the chance to be actively involved in shaping the diversity of the UK corporate landscape, be part of an industry leading voice on gender and race equity in the UK and get access to diversity and inclusion insights, analysis, and expertise.

If you're interested in hearing more, please contact the co-chairs Diandra.Soobiah@nestcorporation.org.uk and/or sachi.suzuki@hsbc.com.

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