



# 30% Club Hong Kong Investor Group Statement of Intent

December 2021

As asset owners and asset managers, we are fiduciaries responsible for the stewardship of the investments we make on behalf of our members, investors, partners, and clients. Part of that responsibility includes the assessment of the Boards and senior management of our investee companies.

We believe that Boards that genuinely embrace diversity, as manifested through appropriate gender representation, with a broad spectrum of skills and experience, are more likely to achieve better outcomes for investors, and there is increasing academic and empirical research to support this hypothesis.

The 30% Club Hong Kong Investor Group is composed of asset owners and asset managers sharing the aim to educate and collaborate with boards about effective pathways to increasing gender diversity and gender equality at all levels of the organization.

The purpose of this *Statement of Intent* is to demonstrate the strong commitment that members have in delivering outcomes on gender diversity that are sustainable over the longer-term.

## Target

As members of the 30% Club Hong Kong Investor Group, we support the voluntary aspirational targets set by the 30% Club Hong Kong to achieve **25% female Board representation by the year 2025, and 30% by the year 2028, which should be mandated by quotas if these targets are not met.**

## Disclosure Expectations of Investee Companies

As part of our overall stewardship responsibilities on behalf of our investors, partners, and clients, we actively engage with investee companies on corporate governance issues including the process used to identify suitable candidates for the Board.

In order to provide investors with a comprehensive understanding of an investee company's diversity policies, we are calling on companies to be transparent regarding their strategic management of diversity issues, and to monitor and disclose the level of gender diversity not only on their boards but at all levels of management. We believe that increased transparency and accountability will help create a stronger pipeline of qualified female board candidates.



## **Engagement with investee companies**

As investors, we are committed to gender diversity as a stewardship priority in our engagements with investee companies. We will seek to engage with companies where there is evidence that there is a lack of gender diversity at the Board or in the company. Our aim is to build a constructive relationship with company Boards and management teams in order to foster a greater awareness and acceptance of the business value of diversity, reflected in greater diversity on boards and at companies over time.

## **Duties as Owner or Fiduciary**

There are a range of tools available to each investor to advance towards the diversity-related targets. Some members may choose to vote against the (re)election of the Chair of the Board or Nomination Committee or directors of the board. In particular some members may exercise their voting rights where there continue to be no evidence of board diversity, and engagement with the board has not led to any satisfactory outcome.

## **Reporting**

We are committed to reporting on a regular basis. As much as possible and in accordance with our own company guidelines, we will report on our engagement and voting activity, as well as provide examples of companies that champion the adoption of best practices. Ultimately, we will report on our progress measured against our established targets.

## **Compliance with Laws and other Obligations**

The Investment Group is committed to adhering strictly to any confidentiality obligations as well as to the letter and spirit of relevant antitrust laws. Under no circumstances shall the Investor Group be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of members to exercise independent business judgment regarding matters affecting competition. While engaging in these activities, members of the Investor Group should avoid sharing any confidential information about investees with competitors, or share information about how voting rights are exercised to the extent that this is subject to a confidentiality obligation or matters involving any element of competition and shall be expected to take any action, in its sole discretion, in accordance with its own policies and procedures, including those relating to confidentiality obligations and antitrust laws. Public institutions are to engage in the activities in full compliance with relevant laws and regulations.

\*\*\*