

40:40<sup>VISION</sup>



# 40:40 Vision

Investor Statement

| HESTA |





# As investors, we support 40:40 Vision in the quest “to achieve gender balance in executive leadership across ASX300 companies by 2030.”

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 ensuring that companies have appropriate cognitive diversity across their executive leadership. We believe that companies with executive teams that are gender-diverse make better decisions and ultimately help create long-term value for shareholders. There is increasing research to support this hypothesis.

## Investor signatories agree on the following expectations for companies:

- Companies must have a long-term ambition to achieve gender balance (40% women, 40% men, 20% any gender) in executive leadership.
- Setting adequate composition targets at CEO-1 level, to be achieved within the medium and long-term, is paramount for demonstrating this commitment to gender diversity.
- Disclosing the plan to achieve targets and reporting annually against them helps investors track company progress and enables accountability.

These expectations are aligned with ASX Corporate Governance Council’s Recommendation 1.5.

## Investor signatories of the statement commit to:

- Actively engage with companies on the gender diversity of their executive team to convey the high level of importance that we and our clients and members, place on this issue.
- Encourage companies to sign on to 40:40 Vision to demonstrate their long term commitment to achieving gender balance.
- Raise questions where there is evidence that companies are lagging behind their targets or their commitments under the 40:40 Vision.
- Consider voting against the re-election of the chair of the board or other committees if we believe companies are failing to demonstrate that they are aligned with our belief that gender diversity helps deliver long-term shareholder value.