

## 40:40 Vision FAQ

### What is the 2030 Target?

The 2030 target for the 40:40 Vision is 40% men, 40% women and 20% any gender.

### What are the benefits of becoming a signatory?

Extensive research demonstrates that companies with strong gender diversity in leadership positions make better decisions and ultimately are better at creating long-term value and performance for shareholders.

Companies signing up to 40:40 Vision can showcase their leadership in supporting greater inclusion and diversity in Australian workplaces. Signatories can publicly display their support of the initiative, signalling to their shareholders, stakeholders and the broader community their support for improving gender equality. 40:40 Vision will celebrate leadership and foster innovation by sharing case studies.

### What type of targets do companies have to set?

Signatories need to set publicly available composition targets. Composition targets are outcomes-oriented targets reflecting the number or percentage of women that companies expect to have in Executive Leadership roles by a specific date.

Companies need to set interim composition targets for 2023 and 2027, and share the 40:40 Vision 2030 target.

### Do we have to have interim composition targets?

Interim targets must be set for 2023 and 2027, but you can set targets that support your business strategy. We are not prescriptive as to the level of progression between targets.

### What if companies already have targets?

Companies with targets that are equal or more ambitious targets than 40:40 Vision will be recognised. This will be done on a case by case basis in consultation with the companies.

### Can we provide supporting information for our targets?

Yes, there will be a place to provide explanation and support for your targets. In particular, companies with low interim target due to their specific gender strategy may want to provide insight into their reasoning.

### Do companies have to set targets before joining 40:40 Vision??

No, companies can join 40:40 Vision and will have a grace period of 12 months to set appropriate targets that meet their individual situation.

### What happens with small leadership teams?

In small executive leadership teams, the departure of one woman can change the ratio from meeting the 40:40:20 target to no longer meeting it. We understand those companies may not want to be limited to hiring a woman. In that instance, companies are invited to provide an explanation for their decision, how they

remain focused on the spirit of the initiative and demonstrate their commitment by sharing information about their pipeline and how they will return the ELT to 40:40:20 as soon as practicable.

## What is the difference between quotas and targets?

Gender diversity targets and quotas both aim to improve gender equality in leadership, but there are differences between the two strategies.

Targets are specific, measurable objectives with discrete timeframes, set voluntarily by an organisation. Consequences for not meeting a target may be set and enforced as the organisation sees fit.

Quotas are also specific, time-bound, measurable objectives, but they are mandatory and set by an external body with authority to impose them (for example, government). Quotas usually have non-negotiable penalties for failing to meet them, enforced by an external body.

40:40 Vision is seeking companies to set voluntary targets.

## How is 40:40 Vision defining executive leadership?

Targets are set for executive leadership roles. The Executive Leadership Team (ELT) is taken to be the CEO and their direct reports, and is consistent with CEW Census reporting.

## What information will be publicly available on the 40:40 Vision website?

The website will outline:

- Companies that have committed to the Vision
- Current gender balance in executive leadership
- Interim targets
- Progress against those targets
- Explanation for targets (optional)
- Benchmark of all companies' gender balance in executive including those that have not committed to the Vision

## Does this require separate reporting?

No, we do not require separate reporting. Companies are required to disclose their targets and plans to achieve them publicly on their websites. Reporting is designed to align with what companies already have – with the requirement that this is done publicly.

We do need the name of the signatory (ideally this is the CEO) and the contact person who is accountable for meeting 40:40 Vision requirements.

## What are the annual requirements?

We need to be updated as to who the contact person is, and the link to your publicly available targets. If you would like to provide additional information around the justification for targets to be included on the 4040 Vision site, then we also need to receive that information.