



ACSI Voting Policy

Gender diversity in the ASX300

Background

Our approach to board gender diversity in listed companies is based on the belief that boards should be comprised of individuals who are able to work together effectively, and who bring diversity of thought to board decision making, to build and maintain a viable, profitable and efficient company over the long-term.

A properly structured board should include appropriately skilled and experienced directors, drawing on a range of criteria, including gender, ethnicity and age, in addition to core skills and experience. Companies are likely to be most successful when they harness collective intelligence, and approach problems with cognitive diversity.

Diversity of thought assists boards to set and challenge company strategy, and to better understand the markets in which they operate. In pursuit of these aims, our members have endorsed a gender diversity target, and expect that at a minimum 30 percent of the board positions in ASX listed companies be occupied by women. In addition, companies should develop a timeframe within which they will achieve gender balance (40:40:20) on their boards.

We work with companies to understand their plans to meet this target. Our preference is for companies to reform their board's composition, in line with this target, on a voluntary basis. We recognise the value of quantitative targets to drive change. However, our members are also taking action by voting against companies that have made no progress to improve board gender diversity.

Gender diversity voting policy

In applying the ACSI Governance Guidelines, **ACSI will recommend our members vote against the boards of ASX300 companies with poor gender diversity, on a case-by-case basis.**

Our recommendations will focus on the individual directors most accountable for board succession and composition. For ASX300 boards with less than 30% female representation, we will consider recommending a vote against at least one of the following (in descending order):

1. the Chair of the board
2. the Chair of the Nominations Committee
3. a member of the Nominations Committee; or
4. another director seeking re-election.

As always, our voting recommendations will be combined with direct company engagement.

In applying this policy, ACSI will take into account any company commitments to improve diversity, board succession plans and the status of new entrants to the index.

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