

For Immediate Release

## Fidelity International announces new gender diversity guidelines to investee companies in Japan

- New gender diversity target indicators encourage 30% female representation by 2030 in corporates across boards, management ranks and total employees
- Fidelity calls for investee companies to reach 15% female representation on boards by Japan's AGM season in 2022
- Fidelity may vote against nomination committee chairs of investee companies if they lag new targets

**Tokyo, 31 May 2021:** Fidelity International (Fidelity) today announces the development of gender diversity target indicators for its investee companies in Japan, in order to proactively address the issue of consistently low female representation across senior management positions and board-level representation.

Fidelity said that it will consider voting against the reelection of the chair of the nomination committee of investee companies that do not have at least 15 per cent female representation on the board of directors by the general meetings of shareholders in 2022 and beyond. In line with its commitment to gender diversity, Fidelity will use the new target indicators and voting policy to encourage companies to achieve higher female representation across organisational ranks, particularly in senior positions.

Fidelity has notified its investee companies of new voting policy guidelines with regards to gender diversity on boards.

"At the beginning of the year, Fidelity set 'narrowing the social divide' as a key theme of focus for its ESG efforts in 2021," said **Jenn-Hui Tan, Global Head of Stewardship and Sustainable Investing at Fidelity International**. "In Japan, gender diversity is one area that has consistently lagged behind developed market standards. The advancement of women in senior managerial roles and board roles is critical if Japan is to remain competitive on a global stage."

In the "Global Gender Gap Report 2021" recently published by the World Economic Forum (WEF), Japan ranked 120th out of 156 countries, the lowest level among developed countries. In the past 20 years, the government has announced a variety of measures related to the advancement of women, including the recent revision of the Act on Promotion of Women's Participation and Advancement in the Workplace in June 2020. Despite these efforts over the years, the Gender Gap Index has continued to deteriorate since its initial release in 2006.

**Tomohiro Ikawa, Head of Engagement and Portfolio Manager at Fidelity International** comments: "We believe that diversity is not only a social issue, but also plays an important role in corporate value creation. The typical organisational structure of Japanese companies is a monocultural structure with male dominance, the system of annually hiring new graduates en masse, lifetime employment, and

Japanese-centred hiring, which has supported the Japanese economy for a long time by fostering a sense of unity.

“On the other hand, diversity has been emphasised in Japan’s Corporate Governance Code in recent years, and changes have been seen in many companies. Amid the unprecedented environmental changes that are occurring now, such as the COVID-19 pandemic and climate change, bold decisions that go beyond the extension of existing strategies are required. In order to do so, it is important for people of various backgrounds to share their opinions from diverse perspectives to find the best solutions. Women in particular, who make up half of the population, are expected to play an active role because they generally have different abilities, talents, and perspectives to men.

“Against this backdrop, Fidelity would like to reiterate our expectations and ideas for our investee companies by notifying them of the following”.

## 1. Gender Diversity Indicators

- a. We ask all investee companies to achieve a level of 30% by 2030 for the following three indicators:
  - Percentage of women on the board of directors
  - Ratio of women in management positions
  - Percentage of all employees who are female
- b. We ask all our investee companies to voluntarily calculate and disclose the gender pay gap.

## 2. Our Approach to the voting policy

Starting in 2022, for companies listed on the Prime market, the target ratio of women directors will be set at 15% for the time being, and if the ratio does not meet this target, we may vote against the reelection of the chair of the nomination committee or representative director.

Fidelity International will continue to engage in dialogue with its investee companies to ensure that they make positive efforts in this matter.

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Fidelity International offers investment solutions and services and retirement expertise to more than 2.5 million customers globally. As a privately held, purpose-driven company with a 50-year heritage, we think generationally and invest for the long term. Operating in more than 25 locations and with \$739.9 billion in total assets, our clients range from central banks, sovereign wealth funds, large corporates, financial institutions, insurers and wealth managers, to private individuals.

Our Workplace & Personal Financial Health business provides individuals, advisers and employers with access to world-class investment choices, third-party solutions, administration services and pension guidance. Together with our Investment Solutions & Services business, we invest \$567 billion on behalf of our clients. By combining our asset management expertise with our solutions for workplace and personal investing, we work together to build better financial futures. Data as at 31 March 2021. Read more at [fidelityinternational.com](https://www.fidelityinternational.com)

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