

The executive and supervisory directors

The Hague, 11 October 2019

Ref: B19.16

Subject: Gender diversity in the boardroom

Dear executive and supervisory directors,

In October 2018, Eumedion wrote you a letter urging you to take decisive action towards achieving a more gender-balanced executive and supervisory board. We stated that our participants firmly believe that gender diversity at executive and supervisory boards contributes to greater effectiveness in light of growing evidence that gender-diverse groups make better decisions and produce better results in the long term. Also, diverse boards set a tone at the top which contributes to companies' ability to attract and retain diverse talent at all levels of the company. In our letter, we also highlighted that an increasing number of institutional investors incorporate specific expectations around board diversity in their voting decisions around the (re-)election of executive and supervisory directors.

After a year of constructive engagement and voting by our participants, we were pleased to be able to report¹ that since the start of our campaign the number of Dutch listed companies with no female executive and supervisory board representation decreased from 17 to 11. And between 11 October 2018 and 11 October 2019 Dutch listed companies nominated 29 new executive directors, 11 were female (38%). They nominated 56 new supervisory directors, 24 of them were female (43%).

But more needs to be done. Currently, only nine Dutch listed companies² have reached the legal target of at least 30% female executives and 30% female supervisory directors. And despite the fact that companies are appointing more women to the executive and supervisory boards than ever, the overall share of female executive directors is increasing rather slowly. Achieving more diversity requires a

¹ In our evaluation report of the 2019 AGM season (downloadable via www.eumedion.nl).

² DSM, Heineken, Heineken Holding, Hydratec, Intertrust, NSI, PostNL, Unilever and Wolters Kluwer.

proactive, structured approach to board recruitment that recognises the importance of the matter. We therefore encourage you to continue your efforts to further increase the representation of women. In particular, we encourage you to look beyond traditional candidate pools and request a gender-diverse slate of candidates from search firms. This should similarly apply to your approach to increasing female representation at levels of the organisation beyond the supervisory and executive board.

To demonstrate your approach and commitment to increasing gender diversity at the executive and supervisory board, we urge you to adopt and publicly disclose a diversity policy with regard to the consideration of diversity in identifying director nominees, including a commitment to increasing gender diversity throughout the talent pipeline and to set an ambitious gender diversity target (of at least 30%), especially at executive board and committee level.³ We also expect you to publicly disclose the strategy to reach this target and to report on progress and concrete additional measures made in this respect in the next annual report.

We are available should you require further clarification.

Yours faithfully,



Rients Abma
Executive Director

³ Taking into account the recent Social-Economic Council's advice to the Dutch Government to set mandatory 30% quotas for the number of female supervisory directors at Dutch listed companies.