

## News Release

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5 October 2016

### Singapore's Diversity Action Committee recognises progress in women on boards and recommends ways to accelerate change

Diversity Action Committee (DAC) presented its report 'Women on Boards: Tackling the Issue' to Mr Tan Chuan-Jin, Minister for Social and Family Development, today.

In the report, DAC urges Singapore companies to raise women's representation on boards at a quicker pace, or risk undermining Singapore's reputation as a leading business hub with sound and exemplary governance.

Women's representation on boards has been improving since 2012 and has reached 9.7% as at end June 2016. Despite the improvements seen, the pace of change is too slow and Singapore is falling behind. It is time Singapore addresses the issue with fresh impetus.

DAC makes 5 recommendations to hasten the pace of change:

- a) The **Monetary Authority of Singapore (MAS) to strengthen the Code of Corporate Governance** (Code), requiring listed companies to disclose their
  - diversity policy (including gender),
  - self-set measurable objectives, and
  - progress made in achieving their objectives.
- b) **Companies should implement their diversity policy straightaway** and disclose it in their annual reports, even before the Code is strengthened.
- c) **Shareholders and other market participants need to monitor progress and MAS to consider the need for stronger action** if companies do not respond.
- d) **Companies to adopt best practices for board nomination and appointment** (*details on best practices given in Annex 1 of this press release or in the report*).
- e) **Companies to develop their executive pipeline** in order to increase the pool of women for board roles in the future.

DAC firmly believes that increased requirements for transparency and accountability will spur companies to adopt a disciplined approach to diversifying their boards at faster pace. Board nomination and appointment processes and growing the executive pipeline will support the acceleration.

Minister Tan Chuan-Jin said, "The Committee led by Mr Magnus Böcker has put in much effort in the past two years. While there has been some progress, more can be done. I urge stakeholders to consider DAC's recommendations to raise women's representation on Singapore Boards. Women bring with them different perspectives which can bring about more robust and dynamic governance in companies. These companies perform better, ultimately benefiting our economy as a whole. The Government will continue to support the DAC and I am glad to announce Mr Loh Boon Chye, CEO of SGX as chair for the DAC's next term."

Madam Halimah Yacob said, “The benefits of having more women directors on boards are well known and yet we have not fully harnessed this potential in Singapore companies. I am glad that DAC discussed the underlying reasons for low women’s representation on boards in a straightforward manner. I believe that all companies want to be as good as they can be, and board diversity with the best suited directors would add new perspectives and dynamics to the companies. I urge companies to embrace the recommendations from DAC. It’s time for our companies to think ahead and raise board diversity to where global companies want to be.”

Magnus Böcker, Chairman of DAC, said, “Today’s boards are a lot more engaged, and the boardroom requires more varied skills and experience to bring any company forward. Bringing the best talents and diverse perspectives to the boardroom is no longer an option but a conscious effort made by a far-sighted company. I trust that all SGX-listed companies will take positive steps to rebalance their board capabilities and extend beyond their existing networks to where there are new skill sets, to recruit the most qualified men and women into the boardroom, especially women, who have been long under-represented. This will support a sustained growth for the company in the long run.”

The public sector has also been emphasizing diversity and meritocracy in the selection of people to serve on the Boards of public sector statutory boards and advisory councils. Ms Yong Ying-I, Permanent Secretary of the Public Service Division, Prime Minister’s Office, said: “The Public Sector has been proactive in looking for people from diverse backgrounds to serve on the Boards of our Statutory Boards. To deliver effectively, our agencies must connect with the broad diversity of entities and people who make up our economy and society, so that they are aware of and understand their concerns and needs. A diverse Board of Directors is important to achieving this, whether it is regarding having a good balance of men and women, ethnicity or backgrounds.” Ms Yong added that our agencies have been leading the way nationally in terms of women’s representation on their Boards.

DAC has complemented its findings with insights of 5 corporate governance award winning companies – DBS, SIA, Singtel, Yoma Strategic and Micro-Mechanics.

The report can be found at the DAC website ([www.diversityaction.sg](http://www.diversityaction.sg)). **A summary is attached in Annex 1.** More information about the Diversity Action Committee is attached in Annex 2.

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### Media Enquiries

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## Annex 1: Summary of “Women on Boards: Tackling the Issue”

### 1. Key obstacles to increasing women’s representation on boards

- **Companies lack impetus to change** as governance is generally good and companies are not required to disclose their board diversity practices.
- **Companies prefer experienced directors**, who are mostly men.
- **Perceived shortage of qualified women** to take on board directorships. The misperception persists despite Singapore having a significant pool of women in senior management. The proportion of senior management roles held by women in Singapore is comparable to that in Australia, US and UK but women’s representation on Singapore boards is less than half of these countries.
- **Few vacancies for new director appointments**, including women, due to insufficient board refreshment.

### 2. DAC’s recommendations to improve women’s representation on boards as an integral part of good governance practice

a) **The Monetary Authority of Singapore (MAS) to strengthen the Code of Corporate Governance (Code)**, requiring listed companies to disclose their

- diversity policy (including gender),
- self-set measurable objectives, and
- progress made in achieving their objectives.

Increased requirements for transparency and accountability will spur companies to adopt a disciplined approach to diversifying their boards.

b) Companies to make **early disclosures** in their annual reports, even before the Code is strengthened.

c) Shareholders and market participants need to **monitor progress and MAS to consider the need for stronger action** if companies do not respond.

d) **Companies to adopt best practices for board nomination and appointment**

- All appointments be based on merit.
- Plan board and committee renewal regularly to achieve greater diversity while recruiting skill sets relevant to the company’s future plans.
- When renewing the nominating committee (NC), consider appointing a female director to the committee.
- Require searches to present both male and female candidates, with the NC to interview top ranked female candidates.
- Be open to appointing first-time directors and provide an appropriate director development plan.

e) **Companies to develop the executive pipeline** in order to increase the pool of women for board roles in the future. DAC recommends companies proactively:

- Incorporate board training in talent development programme
- Liberate company policy to allow external board directorships (including listed companies) to hone executives’ strategic skills
- Implement mentoring and sponsorship programme for both male and female executives

### 3. Current State of Women Representation on Boards on SGX-listed Companies

- Overall, women's representation on boards of SGX-listed companies have **increased 21%** since 2012, reaching 9.7% as at end June 2016 from 9.5% at end 2015 and 8.8% at end 2014.
- The number of all-male boards **declined 11%** since 2012 – a promising sign. However, more than half of SGX-listed companies are still all-male boards, including many in consumer-facing industries.
- Singapore continues to fall behind, undermining its reputation as a financial and business centre.
- Disclosing for the first time – **Ranking of 100 largest SGX-listed companies** by their women's representation on boards.

*WOB denotes women on boards*

Straits Times Index (STI) Companies	Industry	No. of WOB end June 2016	WOB% as at end June 2016	WOB% as at end 2015	WOB% as at end 2014	WOB% as at end 2013
Singapore Telecommunications Limited	Telecommunication Services	3	33%	33%	30%	18%
Singapore Press Holdings Limited	Media	3	30%	30%	30%	20%
Singapore Exchange Limited	Diversified Financials	3	27%	27%	18%	8%
DBS Group Holdings Ltd	Banks	2	22%	22%	22%	22%
Ascendas Real Estate Investment Trust	Real Estate	2	20%	22%	0%	14%
City Developments Limited	Real Estate	1	14%	14%	11%	0%
ComfortDelGro Corporation Limited	Transportation	1	13%	13%	13%	13%
CapitaLand Commercial Trust	Real Estate	1	13%	13%	13%	11%
United Overseas Bank Limited	Banks	1	11%	11%	11%	0%
CapitaLand Limited	Real Estate	1	11%	10%	9%	18%
Singapore Airlines Limited	Transportation	1	11%	11%	13%	20%
Keppel Corporation Limited	Capital Goods	1	11%	20%	11%	9%
Hutchison Port Holdings Trust	Transportation	1	11%	11%	11%	11%
SIA Engineering Company Limited	Transportation	1	11%	11%	10%	0%
Oversea-Chinese Banking Corporation Limited	Banks	1	10%	0%	0%	8%
Thai Beverage Public Company Limited	Food Beverage & Tobacco	2	10%	10%	10%	10%
SembCorp Industries Ltd	Capital Goods	1	10%	10%	9%	11%
SATS Ltd.	Transportation	1	10%	11%	13%	0%
SembCorp Marine Limited	Capital Goods	1	10%	10%	0%	0%
StarHub Ltd	Telecommunication Services	1	8%	8%	0%	0%
Jardine Cycle & Carriage Ltd	Retailing	1	7%	8%	8%	7%
Singapore Technologies Engineering Ltd	Capital Goods	1	6%	6%	7%	0%
Wilmar International Limited	Food Beverage & Tobacco	0	0%	0%	0%	0%
Hongkong Land Holdings Limited	Real Estate	0	0%	0%	0%	0%
Genting Singapore PLC	Consumer Services	0	0%	0%	0%	0%
Global Logistic Properties Limited	Real Estate	0	0%	0%	0%	0%
CapitaLand Mall Trust	Real Estate	0	0%	0%	0%	0%
Golden Agri-Resources Ltd	Food Beverage & Tobacco	0	0%	0%	0%	0%
UOL Group Limited	Real Estate	0	0%	0%	0%	0%
Yangzijiang Shipbuilding (Holdings) Ltd.	Capital Goods	0	0%	0%	0%	0%

For full list of ranking, please refer to the report 'Women on Boards : Tackling the Issue'

## **Annex 2 : About Diversity Action Committee**

The Diversity Action Committee (DAC) was formed in August 2014 with the objective of building up the representation of women directors on boards of companies in Singapore. Mr Chan Chun Sing, former Minister for Social and Family Development, established the Committee on the recommendation of the Diversity Task Force regarding Women on Boards, as the key driver in a multi-stakeholder approach to addressing the under-representation of women directors.

Increased diversity on boards heightens the robustness of decision making and broadens the catchment of risk awareness and response, resulting in superior corporate governance. A larger number of women directors on corporate boards answers the economic reality of women increasingly deciding on business and consumer purchases. For the economy as a whole, underutilizing women at the apex of corporate decision making could hinder competitiveness. Hence the work of DAC addresses a business imperative.

Adopting a multi-stakeholder approach, the Committee raises awareness of the importance and benefits of having boards with a good balance of men and women, champions best practices that support greater women representation and inspires relevant stakeholders toward appointing women board directors. It is working with various institutions to expand the pool of board-ready women and will have regular communication with the business community.

The Diversity Action Committee is chaired by Mr Magnus Bocker, former Chief Executive Officer Singapore Exchange Ltd, and its Adviser is Madam Halimah Yacob, Speaker of Parliament of Singapore. The Committee comprises 15 leaders from both large and small organisations, and professionals from the private, people and public sectors. The members are:

Mr Magnus Böcker	Chairman, Diversity Action Committee
Mr Simon Israel	Chairman, Singapore Telecommunications Limited
Ms Cheng Woei Fen	Executive Chairman, Mun Siong Engineering Limited
Mr Philip Ng	Chief Executive Officer, Far East Organization
Mr Ciliandra Fangiono	Chief Executive Officer, First Resources Limited
Mr Tang Kin Fei	Group President & Chief Executive Officer, Sembcorp Industries Ltd
Ms Claire Chiang	Senior Vice President, Banyan Tree Holdings Limited
Mrs Lee Suet Fern	Managing Partner, Morgan Lewis Stamford LLC
Ms Yeo Lian Sim	Special Adviser, Singapore Exchange Limited
Ms Lim Soo Hoon	Permanent Secretary (Finance) (Performance), Ministry of Finance
Dr Lee Tung Jean	Deputy Secretary, Ministry of Social and Family Development
Ms Teo Swee Lian	Independent Director, Singapore Telecommunications Limited
Ms Junie Foo	Chair, BoardAgender
Mr Teo Siong Seng	Chairman, Singapore Business Federation
Mr Willie Cheng	Chairman, Singapore Institute of Directors

DAC is supported by a Secretariat (DAC\_Secretariat@sgx.com).

For more details, please visit [www.diversityaction.sg](http://www.diversityaction.sg).