

## Key Note Address

Mr Simon Israel, Chairman, Singtel and SingPost

29 June 2018 at DAC's seminar "Resolving the Performance Puzzle of Board Gender Diversity"

Good Morning,

We live in an age of increasing disruption. We see this in our daily lives, the way in which behaviours have changed - the way we communicate, the way we interact, the way we buy and the way we consume products and services.

I don't have to give you examples of all the companies who are dealing in this space. You are interacting with them in your daily lives. Whether it's social media, ecommerce or whatever it may be.

But think back to how you lived 5 years ago and how you live today, in that context. And the change is truly profound !

Along with our own lives, disruption is or has, and is impacting every industry, every sector. Not just private but also government. And as we've seen, it's also flowing into politics.

We now operate in a "real time" world and this has created unprecedented flows of data and along with data, of course, and how it is analysed comes information.

This digital pervasiveness has become a dominant force, it has given rise to new businesses that we might call "born digital", and it's driving the reshaping of traditional businesses.

This has created challenges for businesses, requiring significant shifts in strategy, in business models, and in products and services to remain relevant.

At Singtel, we had to confront this 5 years ago when we began a transformation and the starting point for us was to redefine our business from a traditional telco, which remains important as our core, but to redefine it as digital. And our core asset as data as opposed to more traditional view of networks. As a consequence of that and the work that's been done today, 25% of our business comes from digital and ICT related services and this is the fastest growing area.

So this is an example of work in progress for many companies. If you look at the score card, some have stood out, others are finding their way and sadly some will fall, by the way, because they are not able to cope with these changes. If you look at how financial markets are valuing companies, traditional businesses' share prices are kind of range bound and somewhat moribund, while technology stocks are attracting capital at heady valuations - and I think there's a "message" in there, at least there is from investors.

So what does all this have to do with Boards?

I think, for me, it highlights the need for Boards to be "fit for strategy" and it suggests that the mix of skill sets and experience on Boards needs to change.

I would call out in particular technology, business transformation and organisational skills as being entailed to that new core of skills a Board should embrace. I see those as being particularly important.

This then leads to the importance of diversity as a foundation of effective and high performing Boards. Now while gender is only one dimension of diversity, it is an important one, as it contributes to different approaches, richer discussion, and ultimately better decision making and outcomes.

The CGIO study confirms that gender diversity is an important dimension, as it contributes to improving business value.

But I would suggest we should also take this in a broader context – and that's that gender diversity is a hallmark of progressive companies and progressive Boards. These Boards are progressive across their governance practices and I would make the case that it is the holistic combination of the strength of their governance, Board diversity, the quality of individual directors and collective decision making, that makes them high performing Boards.

In Singapore we have been too slow to recognise the value of gender diversity and the need to see it as a business imperative "for the right reasons".

You often hear it said that there is a shortage of women candidates or sometimes that 'all the capable ones have been snapped up'. This hasn't been my experience, and I would make the point that you only find what you are really committed to looking for.

At Singtel we have 3 female directors and we expect to appoint another in the near future.

In the recent making of the SingPost Board, we were able to get to 4 female directors in less than 12 months.

At Singtel we have been able to this because:

We are committed and have made our commitment public.

We have one female director on our nominations committee that raise our consciousness of this.

We consider non traditional and emerging skill sets.

And we are open to talent who have no listed Board experience. Quite a number of the recent appointees by Singtel and the SingPost boards, who have all been very qualified, had never sat on the Boards of listed companies. And frankly I don't see that as an issue. These are very smart people.

I'd also highlight the importance of youth. And I'm happy to say at SingPost at that time, we were able to appoint one director who is 34 at that time. Female, and she has had a huge impact.

We run global searches.

And we require search firms to present female candidates.

And very importantly, we plan 3 years out because people are very busy and often people need to be persuaded and it takes time. So if you plan far enough ahead, you will find it a lot easier to get talent and give them a chance with them planning their own commitments.

Also importantly, I would make the point, that if you are seen as a company which is supportive of female directors for the right reasons, it becomes a lot easier to attract female talent.

Support is not simply about appointing female directors – it's about ensuring they are successfully integrated into the Board as valued contributors.

To sum up:

- Board diversity is one of the foundations of effective and performing Boards.
- Gender diversity is an important dimension and, I would argue, is a hallmark of progressive Boards.
- Gender diversity should be seen as a business imperative for the right reasons and the value it brings.

All of you are here today because you have an interest in this. I hope you will turn your interest into something more tangible, having a stake in the outcome and become a strong advocates for the importance of gender diversity and women on Boards.

I will certainly continue to do so.

Thank you.