



30% Club Hong Kong and The Women's Foundation Welcome End to Single Gender Boards on the Hong Kong Stock Exchange

TWF Urges Listed Issuers to Set Targets to Meet or Exceed 30%

HONG KONG, December 13, 2021 – 30% Club Hong Kong and The Women's Foundation (TWF) welcome the Stock Exchange of Hong Kong and Hong Kong Exchanges and Clearing's (HKEX) release of [Consultation Conclusions on its Review of the Corporate Governance Code and Related Listing Rules](#). After an open consultation process, the HKEX is putting in place key reforms that will improve board gender diversity in the short to medium term.

In particular, the following HKEX changes will lead to significant opportunities for more diverse boards over the next three years:

- Single gender boards will no longer be acceptable, and currently all-male boards will have a maximum of three years to appoint at least one female board member
- New hurdles for Independent Non-Executive Directors (INEDs) who are “long-serving” (over nine years) will not only require companies to disclose and justify their successive appointments, but in some cases mandate brand new INED appointments
- Companies will be strongly encouraged to set targets and timelines for gender diversity at board level and across the workforce

Given one third (32.1%)ⁱ of listed companies have no women on boards, together with the pace of new listings in Hong Kong, there will be at least **1,350**ⁱⁱ board appointment opportunities for women in the next three years. This represents considerable opportunities for women leaders who are qualified to become board members.

Irene Lee, Chair of Hysan Development and Chair of the 30% Club Hong Kong, remarked, “Hong Kong offers a deep talent pool of women in a wide range of sectors. We urge boards and companies to support first time female executive and non-executive directors and look beyond the typical candidate profiles and also consider women outside the city. These new rules also present companies with the opportunity to empower their own high-calibre female executives to serve as INEDs (Independent Non-Executive Directors) on outside boards.”

Tim Payne, Chair of the 30% Club Hong Kong Steering Committee, said: “The world is complex and messy and Boards need ever more diverse perspectives. New women Directors can help boards think differently and meet the challenge.”

The Women's Foundation has been a long-time advocate for more diverse corporate boards since launching the 30% Club Hong Kong back in 2013. While public sentiment has indicated strong support for gender diversity on boards, actual progress has been miniscule: as of July 1, 2021, only 14.3% of Hong Kong Hang Seng Index Board's

directorships were held by women. Hong Kong continues to be outpaced by other global financial centres (UK: 36.2%ⁱⁱⁱ; Australia: 34.1%^{iv}, USA: 30%^v) and neighbouring economies in Asia (Malaysia: 25.5%^{vi}; Singapore: 18%^{vii}; India: 17%^{viii}).

Fiona Nott, CEO of The Women's Foundation said: "The international comparisons prove that boards in Hong Kong are falling way behind and, at their core, remain change averse. These regulatory changes will encourage boards to do the right thing, and we believe that those same boards will end up better off and eventually embrace this outside push, as their companies will perform better with new talent. If we really want the strongest corporate governance, we must aim for 50% women on our corporate boards, in management and in the workforce, so the clear next step is for all companies to set meaningful targets of at least 30% by 2027."

The benefits of increasing the number of women on the boards of listed companies have been well-documented. Greater gender diversity on boards improves decision-making, has a positive impact on corporate culture, and the bottom line, serves as a fundamental aspect of good governance and delivers benefits for the whole society. Having more senior women as role models filters down into the whole economy and can help contribute to wider debates on issues such as pay equity, workplace policies and other critical barriers facing women.

In times of increased volatility due to COVID-19 and geopolitical factors, it is even more important that Hong Kong embraces a strong corporate governance regime, including diversity, and rises to international best practice to maintain Hong Kong's position and reputation as a leading global financial centre.

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About 30% Club HK

[The 30% Club HK](#) was launched in March 2013, three years after the inaugural chapter was established in the UK. With 55 members from Hong Kong's listed companies, together with other senior multinational, advisory and statutory members, it is set up as a volunteer organisation run by a Steering Committee of women and men who are leaders in the Hong Kong business community.

The 30% Club believes gender balance on boards not only encourages better leadership and governance, but diversity further contributes to better all-round board performance, and ultimately increased corporate performance for both companies and their shareholders. The 30% Club aims to develop a diverse pool of talent for all businesses through the efforts of its Chair and CEO members who are committed to better gender balance at all levels of their organisations. Business leadership is key to our mission, taking the issue beyond a specialist diversity effort and into mainstream talent management. The 30% Club approach – collaborative, concerted business-led efforts – can help accelerate progress towards better gender balance at all levels of organisations.

Follow the 30% Club HK on Twitter: [@30percentclubHK](#), [#30percentHK](#). You can find a **list of 30% Club HK members**, as well as a **list of the Steering Committee members**, on our [website](#).

About The Women's Foundation

[The Women's Foundation](#) is a Hong Kong registered not-for-profit organisation dedicated to improving the lives of women and girls in Hong Kong. TWF is focused on challenging gender stereotypes, increasing the number of women in decision-making and leadership roles, and empowering women in poverty through ground-breaking research, innovative and impactful community programmes, and education and advocacy.

Follow TWF on [LinkedIn](#), [Facebook](#) or [Instagram](#). Stay connected by signing up to TWF's [newsletter](#) to receive regular updates on its initiatives, programmes and events.

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ⁱ HKEX (2021). *Review of Corporate Governance Code and Related Listing Rules*.

<https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2021-Review-of-CG-Code-and-LR/Consultation-Paper/cp202104.pdf> (pg 17)

ⁱⁱ This number is based on 815 listed issuers with no female directors on their boards (see footnote i) and around 182 companies listed on Hong Kong boards on average per year over the past four years:

[https://www.hkex.com.hk/-/media/HKEX-Market/Join-Our-](https://www.hkex.com.hk/-/media/HKEX-Market/Join-Our-Markets/IPO/2021/HKEX_IPO_Express_Issue3_en.pdf)

[Markets/IPO/2021/HKEX_IPO_Express_Issue3_en.pdf](https://www.hkex.com.hk/-/media/HKEX-Market/Join-Our-Markets/IPO/2021/HKEX_IPO_Express_Issue3_en.pdf) With a 3-year transitional period, that means:

$815+182*3 = 1,361$ board appointment opportunities for women

ⁱⁱⁱ Department for Business, Energy & Industrial Strategy, Government Equalities Office, The Rt Hon Kwasi Kwarteng MP, and Baroness Berridge of The Vale of Catmose. (2021, Feb 23). The changing face of business: number of women on FTSE boards up by 50% in just 5 years. [Press Release]. (referenced percentage: FTSE 100) <https://www.gov.uk/government/news/the-changing-face-of-business-number-of-women-on-ftse-boards-up-by-50-in-just-5-years>

^{iv} Australian Institute of Company Directors. (2021, March 22). Women ASX board appointments off to a strong start in 2021. [Media Release]. (percentage referenced: ASX 100).

<http://aicd.companydirectors.com.au/media/media-releases/women-asx-board-appointments-off-to-a-strong-start-in-2021>

^v Spencer Stuart. (2021). *2021 Spencer Stuart Board Index*. (percentage referenced: S&P 500, pg 4)

<https://www.spencerstuart.com/research-and-insight/us-board-index>

^{vi} Securities Commission Malaysia. (2021). *Corporate Governance Monitor 2021*. (pgs 1; 5)

<https://www.sc.com.my/api/documentms/download.ashx?id=aa1a0385-f2fe-473e-8499-5876a1ad85ea>

^{vii} Council for Board Diversity. (2021, Sept 1) Further progress in women's participation on boards in

Singapore. [News Release]. (percentage referenced: SGX 100) <https://www.councilforboarddiversity.sg/wp-content/uploads/2021/09/2021-09-01b-CBD-NewsRel-Further-progress-in-womens-participation-on-boards-in-Singapore.pdf>

^{viii} Institutional Investor Advisory Services. (2020). *Corporate India: Women on boards*. (percentage

referenced: NIFTY 500, pg 7) <https://www.iiasadvisory.com/institutional-eye/corporate-india-woman-on-boards-2020>