

## News Release

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16 April 2015

# Improvement in the number of women directors on SGX-listed companies' boards in 2014, according to Diversity Action Committee

Singapore's Diversity Action Committee (DAC)<sup>1</sup> said that **the number of directorships (board seats) held by women rose 10% to 448 in 2014 from 406 in 2013**. There was a net increase of 42 women directorships, making up a significant 25% of the total increase in directorships of 166 in the year. Appointments and new listings grew the pool of women by 91, at the same time, 49 stepped down from their positions. Independent director roles had the greatest net increase in women directorships of 36; non-independent director roles increased by 6.

The findings showed that all in all **women's representation on SGX-listed company boards went up slightly to 8.8% as at end 2014** from 8.3% end 2013 and 8% end 2012.

### Improvements across Mainboard and Catalist companies

**Women's representation on boards was almost the same percentage across companies of different sizes.** However, within the overall picture, an improvement was noticeable in large companies (market capitalisation larger than S\$1b) and Catalist companies. Women's representation in large companies increased 1.5 percentage points to 8.7% and Catalist companies increased 1.4 percentage points to 8.6%.

For the leading 30 companies on the Straits Times Index (STI) women's representation was only 7.6%, lower than the market as a whole, despite an increase of 1.0% from the previous year.

### Improvements across Industry Groups

**There were improvements in women's representation across many of the industry groups.** The Media industry is notable as it showed a significant 16% in women directorships, the highest representation of women on boards. For the remaining industries, female representation clustered between 6-11%.

**Boards which only had men made up 55.5% of the 764 companies on SGX as at end 2014, as compared to 56.0% the year before.** Of this group of 424 companies, about 340 have been totally male for the past 3 years. About 25% were in the Capital Goods industry and another 20% were attributed to Consumer Durables & Apparel, Consumer Services, Food & Staples Retailing, Retailing and Real Estate industries.

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<sup>1</sup> The DAC is chaired by Mr Magnus Böcker, CEO of Singapore Exchange. Madam Halimah Yacob, Speaker of Parliament of Singapore is adviser to DAC. The DAC, comprising business leaders from both large and small organisations and professionals from the private, people and public sectors, is appointed to build up the representation of women directors on boards of companies.

In addition, an international comparison with other financial markets showed that **Singapore trails behind other markets**, even though Singapore has a relatively large pool of well-educated senior women executives.

Magnus Böcker, Chairman of DAC, said, “The increased representation of women on boards of SGX listed companies is encouraging. DAC has embarked on several initiatives working together with other organisations<sup>2</sup> to help companies look beyond traditional sources to bring diversity to listed companies. Though we still have a long way to go, the findings support how a rising number of companies and their boards are taking steps to foster better governance and business performance with a more gender-diverse board.”

The detailed findings<sup>3</sup> of women’s representation on boards as at end 2014 can be found in Annex 1 or at the DAC website ([www.diversityaction.sg](http://www.diversityaction.sg)).

More information about the Diversity Action Committee is attached in Annex 2.

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<sup>2</sup> such as Singapore Business Federation, BoardAgender, NUS Centre for Governance, Institutions and Organisations (CGIO), Securities Investors Association (Singapore) (SIAS), Singapore Institute of Directors (SID).

<sup>3</sup> Source: Handshakes. Data was collected from all SGX-listed companies’ annual reports and company announcements reported to SGX, up to 31 Dec 2014 (inclusive). Data does not reflect any changes after 31 December 2014.

## Annex 1

### Women's Representation on SGX-listed Companies Boards as at end 2014

#### 1 Overall View

##### Improvement in women's representation on boards of listed companies

- The number of directorships (board seats) held by women rose 10% to 448 in 2014 from 406 in 2013.
- As at end 2014, women held 8.8% of the 5,082 directorships on companies listed on SGX, up from 8.3% as at end 2013 and 8% as at end 2012. The improvement of 0.5% was higher than in the previous year.

#### 2 Additions to the Pool of Directors

##### Increase in net number of women directorships

- There was a net increase of 42 women directorships, making up a significant 25% of the total increase in directorships in 2014. The net increase arose from 91 women directorships being added to the pool and 49 exiting mainly through resignations. (Table 1)
- Out of the 91 new women directorships in 2014, 74% (or 67 directorships) were attributed to existing companies appointing women directors. The rest were women directorships from newly listed companies.

**Table 1: Directorships, appointments and resignations**

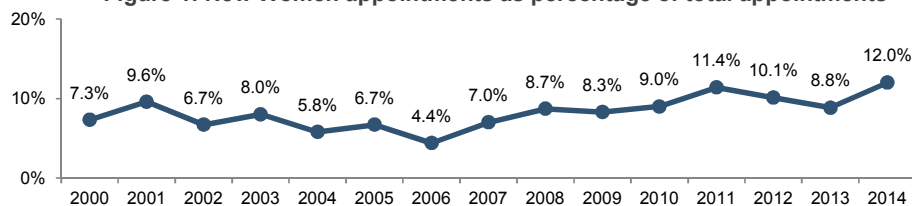
	2013 estimates <sup>#</sup>			2014		
	Women	Men	Total	Women	Men	Total
<b>Directorships</b>	406	4,510	4,916	448	4,634	5,082
<b>No. of additions<sup>^</sup></b>	80	651	731	91	799	890
<b>No. of exits<sup>*</sup></b>	67	683	750	49	675	724
<b>Net no. of additions</b>	13	-32	-19	42	124	166

<sup>#</sup> Some approximations used <sup>^</sup> New appointments and new listings <sup>\*</sup> Resignations and delistings

##### New Appointments

- 12% of the new directorship appointments<sup>4</sup> were women (67 out of 558 new appointments). A gradual upward trend of more women being appointed to boards was observed over the past 14 years. (Figure 1)

**Figure 1: New Women appointments as percentage of total appointments**



Source for 2000-2011 data: Gender Diversity on Boards: A Business Imperative, April 2014

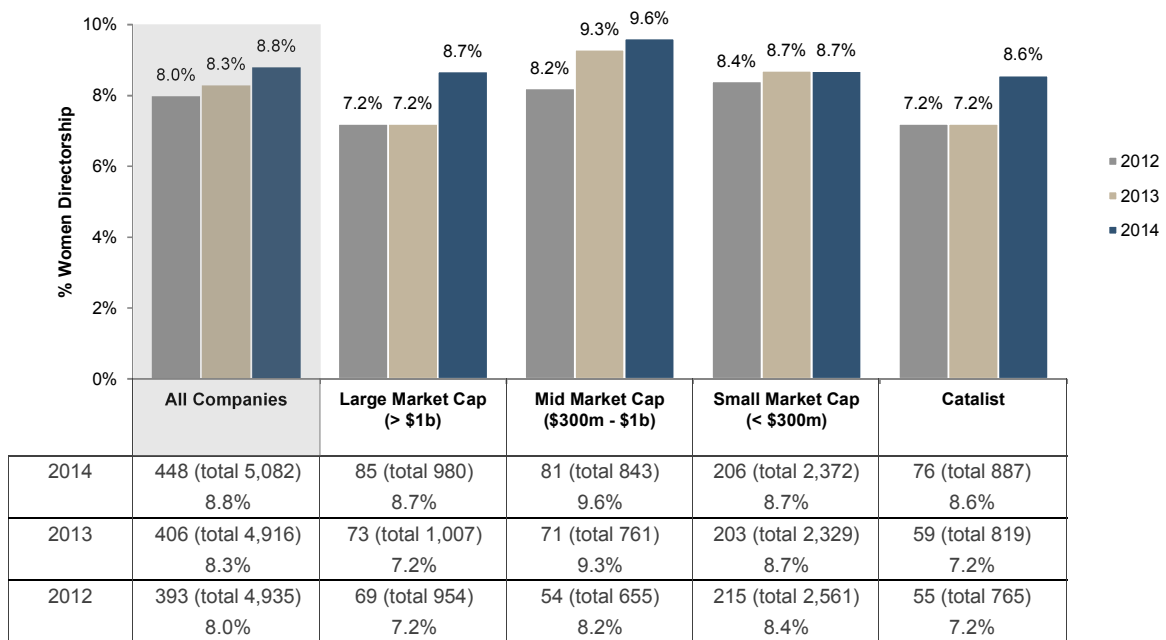
<sup>4</sup> Excludes new listings.

### 3 Women’s Representation on Boards by Market Capitalisation

Similar women’s representation across companies of all sizes

- The percentage of women directors on boards was almost the same across companies<sup>5</sup> of different sizes. However, all size categories showed an increase in the absolute number of women directorships, with large companies (market capitalization larger than S\$1b) and companies listed on Catalyst showing the largest increase. (Figure 2)
- Companies that were components of the Straits Times Index (STI), representing the top 30 companies, showed an increase of 1.0%, from 2013’s 6.6% to 7.6% in 2014. However, the representation of women directors is still lower than the market as a whole.

**Figure 2: % Women Directorships by Market Capitalisation**

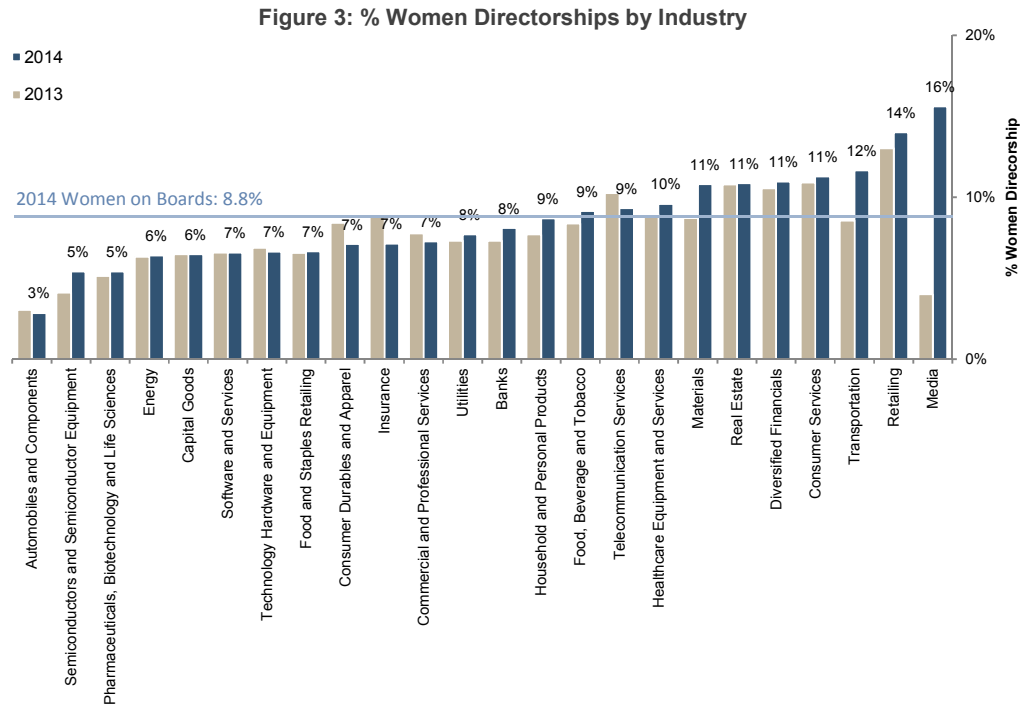


<sup>5</sup> Refer to Appendix to Annex 1, A1.

#### 4 Women’s Representation on Boards by Industry

Improvements in women’s representation across many industry groups<sup>6</sup>

- There was little differentiation in women’s representation on boards across all industries, with most industries clustering between 6-11%. (Figure 3)
- The Media industry is notable as it showed a significant jump of 12% to reach 16% representation of women on boards. This is the highest across all industries. However, there is still room for improvement as 60% of companies in the Media industry still do not have women directors.



#### 5 Types of Directorship Held by Women

More women independent directors in 2014

- The increase in women appointments in 2014 was mainly in independent director roles. Having more independent women directors indicates that companies recognize the importance of good corporate governance. (Table 2)

**Table 2: Appointment held by women**

	2012	2013	2014
<b>Executive Directors</b>	181 (10.8%)*	180 (10.9%)	184 (11.0%)
<b>Non-Executive Directors (non-independent)</b>	90 (9.8%)	88 (9.5%)	90 (9.3%)
<b>Independent Director</b>	122 (5.3%)	138 (5.9%)	174 (7.1%)
<b>Total no. of directorships</b>	393	406	448
<b>Average Board Size</b>	6.8	6.8	6.7

\* The figures in brackets refer to the percentage of women out of the total number of directors in each role.

<sup>6</sup> Refer to Appendix to Annex 1, A2.

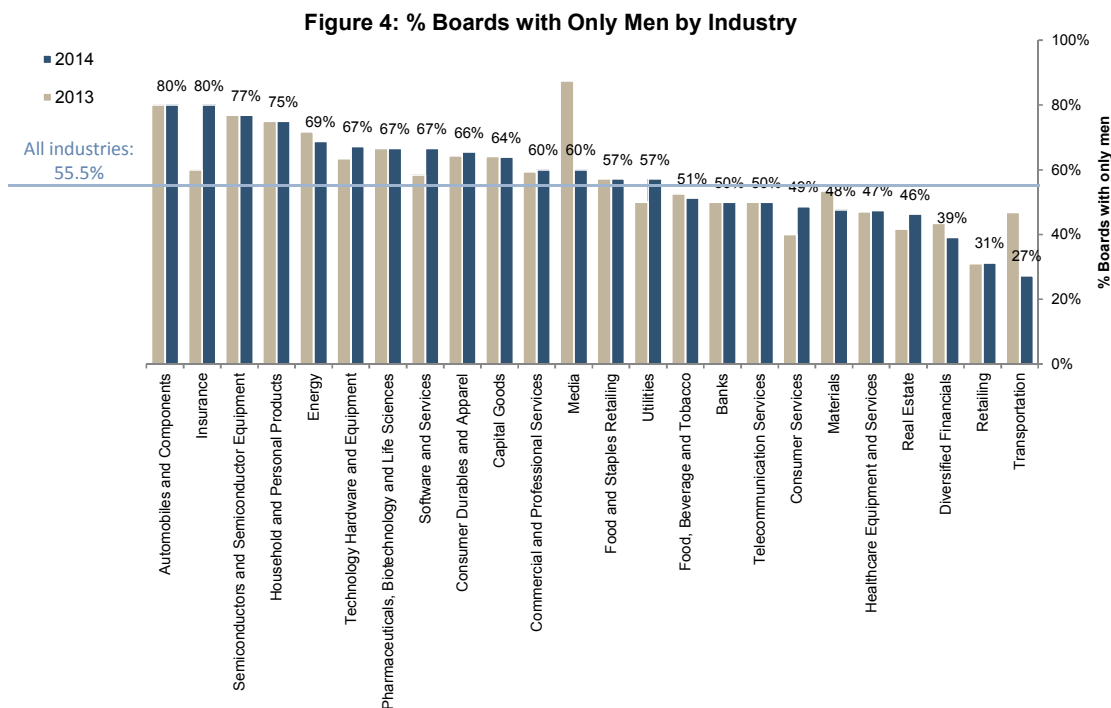
## 6 Companies with only men on their boards

No material change in proportion of companies with only men on their boards

- 55.5% of the 764 companies listed on SGX have only men on their boards. Improvements were seen in companies of all sizes. The greatest reduction in the number of all-male boards was seen in large market-capitalisation companies. (Table 3)
- About 25% of all-male boards are in the Capital Goods industry. Energy, Materials, Real Estate and Technology Hardware & Equipment industries also have a significant number of all-male boards. The remaining all-male boards are spread out across the other industries. However, some industries where women form a large proportion of the customer base still have many boards with only men. These are industries like Consumer Durables & Apparel, Consumer Services, Food & Staples Retailing, Retailing and Real Estate.
- Companies that had only men on their boards over the past 3 years (2012-2014) showed similar results. Of the 339 companies who had only had men on their boards over the 3 years, 26.5% (90 companies) were in the Capital Goods industry, and 20% were attributed to Consumer Durables & Apparel, Consumer Services, Food & Staples Retailing, Retailing and Real Estate industries.

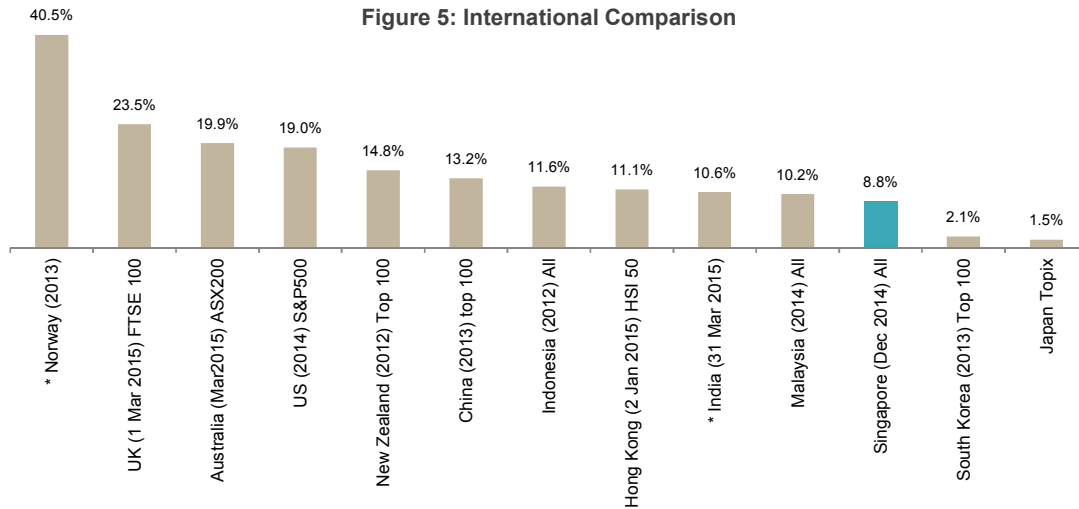
**Table 3: Boards with only men**

	All companies	Large Market Cap	Mid Market Cap	Small Market Cap	Catalist
<b>2014</b>	55.5%	46.3%	47.0%	58.1%	61.9%
<b>2013</b>	56.0%	51.4%	49.1%	57.1%	62.1%
<b>2012</b>	58.8%	54.4%	54.4%	58.9%	65.2%



## 7 An International Comparison

- Singapore trails behind other international financial markets in terms of women's representation on boards (Figure 5). This is inconsistent with the high number of women in senior management and professional roles.



\* Countries with quota

### Sources:

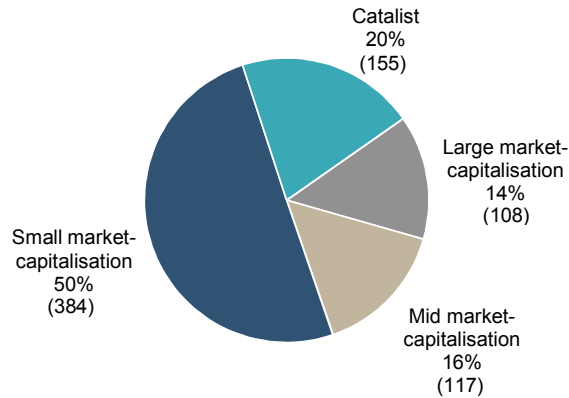
- Australia – Women on Boards 'Boardroom Diversity Index 2015'
- China, South Korea – Korn Ferry & CGIO 'Diversity matters: Adding colour to boards in APAC' (March 2015)
- India – NSE Infobase (1,457 listed companies & 217 unlisted financial companies)
- Japan – Bloomberg Article 'No Women on 90% of Japan Boards Belies Abe Equality Push' (11 March 2015)
- Hong Kong – Community Business' Women on Boards Hong Kong 2015 (March 2015)
- Indonesia – CGIO 'Indonesian Boardroom Diversity Report 2012 – Female Footprints in IDX-listed Companies'
- Malaysia – Securities Commission Malaysia Annual Report 2014
- New Zealand – Human Rights Commission's 2012 New Zealand Census of Women's Participation
- Singapore – Handshakes
- UK – Women on boards: Davies Review Annual Report 2015
- US – Ernst & Young 'Women on US boards: What are we seeing?'

**Appendix to Annex 1:**

**A1 Profile of SGX-listed Companies**

As at end 2014, there are a total of 764 companies<sup>7</sup> listed on the Mainboard and Catalist. The distribution of the Mainboard companies (based on market capitalization) and companies listed on Catalist is shown in Figure 6 below.

**Figure 6: Distribution of Companies by Market Capitalisation**



Large market-capitalisation companies: more than S\$1b

Mid market-capitalisation companies: between S\$300m to S\$1b

Small market-capitalisation companies: less than S\$300m

<sup>7</sup> Data was collected from all SGX-listed companies' annual reports and company announcements reported to SGX, up to 31 Dec 2014 (inclusive). Data does not reflect any changes after 31 December 2014.



## A2 Listing of Industry Group and Industries

Industry Group	Industry	
<b>Automobiles and Components</b>	Auto Components	
<b>Banks</b>	Banks	Thrifts and Mortgage Finance
<b>Capital Goods</b>	Aerospace and Defense	Industrial Conglomerates
	Building Products	Machinery
	Construction and Engineering	Trading Companies and Distributors
	Electrical Equipment	
<b>Commercial and Professional Services</b>	Commercial Services and Supplies	Professional Services
<b>Consumer Durables and Apparel</b>	Household Durables	Textiles, Apparel and Luxury Goods
	Leisure Products	
<b>Consumer Services</b>	Diversified Consumer Services	Hotels, Restaurants and Leisure
<b>Diversified Financials</b>	Capital Markets	Diversified Financial Services
	Consumer Finance	
<b>Energy</b>	Energy Equipment and Services	Oil, Gas and Consumable Fuels
<b>Food and Staples Retailing</b>	Food and Staples Retailing	
<b>Food, Beverage and Tobacco</b>	Beverages	Food Products
<b>Healthcare Equipment and Services</b>	Healthcare Equipment and Supplies	Healthcare Providers and Services
<b>Household and Personal Products</b>	Household Products	Personal Products
<b>Insurance</b>	Insurance	
<b>Materials Media</b>	Chemicals	Metals & Mining
	Construction Materials	Paper and Forest Products
	Containers and Packaging	Media
<b>Pharmaceuticals, Biotechnology and Life Sciences</b>	Pharmaceuticals	
<b>Real Estate</b>	Real Estate Investment Trusts (REITs)	Real Estate Management and Development
<b>Retailing</b>	Distributors	Specialty Retail
	Multiline Retail	
<b>Semiconductors and Semiconductor Equipment</b>	Semiconductors and Semiconductor Equipment	
<b>Software and Services</b>	Internet Software & Services	Software
	IT Services	
<b>Technology Hardware and Equipment</b>	Communications Equipment	Technology Hardware, Storage and Peripherals
	Electronic Equipment, Instruments and Components	
<b>Telecommunication Services</b>	Diversified Telecommunication Services	Wireless Telecommunication Services
<b>Transportation</b>	Air Freight and Logistics	Road and Rail
	Airlines	Transportation Infrastructure
	Marine	
<b>Utilities</b>	Electric Utilities	Independent Power and Renewable Electricity Producers
	Gas Utilities	Water Utilities

## 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, 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 will raise awareness of the importance and benefits of gender diverse boards, champion best practices that support gender diversity and inspire 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, 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 (Chair)	Chief Executive Officer, Singapore Exchange Limited
Mr Simon Israel	Chairman, Singapore Telecommunications Ltd
Ms Cheng Woei Fen	Executive Chairman, Mun Siong Engineering Ltd
Mr Philip Ng	Chief Executive Officer, Far East Organization
Mr Ciliandra Fangiono	Chief Executive Officer, First Resources Ltd
Mr Tang Kin Fei	Group President & Chief Executive Officer, Sembcorp Industries Ltd
Ms Claire Chiang	Senior Vice President, Banyan Tree Holdings Ltd
Mrs Lee Suet Fern	Managing Partner, Morgan Lewis Stamford LLC
Ms Yeo Lian Sim	Chief Regulatory Officer, Singapore Exchange Ltd
Ms Lim Soo Hoon	Permanent Secretary (Finance)(Performance), Ministry of Finance
Ms Ong Toon Hui	Deputy Secretary, Ministry of Social and Family Development
Ms Teo Swee Lian	Special Advisor, Monetary Authority of Singapore
Ms Junie Foo	Co-Chair, BoardAgender
Mr Teo Siong Seng	Chairman, Singapore Business Federation
Mr Willie Cheng	Chairman, Singapore Institute of Directors

The work of the DAC is supported by a Secretariat (DAC\_Secretariat@sgx.com).