

State of Board Diversity Disclosures of SGX-listed Issuers

Published in November 2023

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About Singapore Exchange Regulation (SGX RegCo)

Singapore Exchange Regulation (SGX RegCo) is the independent Singapore Exchange subsidiary undertaking all frontline regulatory functions including as securities market regulator. Our activities include the admission and supervision of issuers, intermediaries and Catalist sponsors, the surveillance of trading and issuers' disclosures, and the formulation and improvement of policies and products, guided by market feedback. We also have the Whistleblowing Office to look into allegations of issuers' regulatory shortfalls and the Sustainable Development Office to house ESG-related regulatory efforts. Regulation Asia has named us Exchange of the Year four times in recognition of efforts to uphold the integrity and development of our markets. Find out more at www.sgx.com/regulation.

About the Council for Board Diversity (CBD)

Established by the Ministry of Social and Family Development in 2019, CBD spearheads efforts to encourage organisations across the private, public and people sectors on their journey of leveraging board diversity for business value. CBD believes having a range of diversities best suited to an organisation's needs and ambitions provides a broad-based judgement of risks and opportunities and access to fresh perspectives for better decision-making. In turn, building strong boards and resilient organisations. Recognising the contribution of women – the most visible and measurable aspect of diversity – as a powerful lead-in to the consideration of other diversities, CBD's ambition in the long-term is for organisations in Singapore to achieve equal proportion of men and women directors on boards. Find out more at www.councilforboarddiversity.sg.

Disclaimer

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1. Foreword

From Singapore Exchange Regulation

Corporate boards today face a time of greater demand for diversity and accompanying disclosures, with stakeholders increasingly aware of the value of a diverse board.

At Singapore Exchange Regulation (SGX RegCo), we have been clear that we share these views. In 2022, we introduced rules mandating disclosure on board diversity plans and targets, and recently hard-coded 9-year term limits for independent directors. Both sets of rules are designed to encourage companies to renew and refresh their boards to ensure that they have the necessary skills, talents, experience, and diversity.

We do not see board diversity as simply another disclosure requirement to meet, but rather an avenue towards better decision making. It enables the inclusion of additional perspectives that might not otherwise have been considered. Diverse boards can, through the exchange of views from different vantage points, arrive at a better understanding of the situations that they face, and the best way to deal with those. We all are aware that the environment we operate in today is highly unstable and fragile. A diversity of ideas and experiences is needed to anticipate the challenges of tomorrow, and to deal with unanticipated challenges. Greater diversity also aligns more closely with shareholder preferences. Empirical research has found that “diverse” directors tend to attract higher levels of shareholder support. We have also observed this at SGX’s most recent annual general meeting, where the three newest directors, all of whom come from relatively uncommon backgrounds, received the highest positive votes amongst all candidates.

We know that achieving greater diversity will not be straightforward. To help companies through this process, we are proud to co-launch this report examining both the state of board diversity-related disclosures as a whole and the quality of disclosures, to both highlight positive examples and areas for further work. We hope, through this and other initiatives, to incentivise and facilitate renewal and upskilling within the directorship community here, leading to real benefits for corporate entities and their shareholders.

Mr Tan Boon Gin

Chief Executive Officer, Singapore Exchange Regulation

From Council for Board Diversity

The Council for Board Diversity (CBD) is pleased to co-present with SGX RegCo this report on the board diversity disclosures among SGX-listed issuers.

When I look back to the beginning of Singapore's board diversity journey in 2012, when the former Diversity Taskforce Regarding Women on Boards was formed, diversity was perceived more as a 'nice-to-have' in governance, than as a valuable characteristic that could be deployed in board deliberations to deliver tangible, quantifiable business returns. The general approach in the market leaned toward 'benign neglect' and letting nature take its course.

Early on, it was uncomfortable for some to take the stance of actively championing for diversity in board appointments. But over the years, after many conversations, meetings, seminars and other activities, many companies have come to appreciate what diversity – in its many attributes like gender, skill, working experience and background – can bring to businesses, particularly so in this fast-changing world. Globally, the attention paid to board diversity has grown and has served to encourage organisations here to embrace board diversity as a business imperative.

With new regulatory measures introduced, SGX-listed issuers are disclosing their board diversity policies, targets, and performance against their expectations, in their annual reports for financial years commencing on or after 1 January 2022.

We are glad to observe that the majority of SGX-listed issuers have taken on board the importance of diversity and are making necessary disclosures. This is a commendable start in this first year of diversity disclosures. We hope that through this report's recommendations and the exemplary disclosures highlighted, companies will continue to be inspired on their board diversity journey.

Mrs Mildred Tan

Co-chair, Council for Board Diversity

2. Acknowledgements

Project Leadership

Michael Tang, Wendy Tan, Fang Eu-Lin

Project Team

Singapore Exchange Regulation: Carolyn Lim, Clare Suqing Lim, Ying Chang Ow

Secretariat to Council for Board Diversity: Cindy Yiu, Lauren Tan, Chin Yi Shing

PwC Singapore: Cynthia Yap, Levine Thio, Tracy Zhang

Advisory Body

We would also like to express our gratitude to the following representatives from the investment sector for sharing their insights and perspectives on the topic at the roundtable discussion:

1. Ang Hao Yao

Honorary Secretary, Securities Investors Association (Singapore)

2. Chan Wai Ching

Chief Corporate Officer and Head, Organisation & People, Temasek International (Temasek)

3. Clare Payn

Senior Global ESG & Diversity Manager, Legal and General Investment Management (LGIM)

4. Eleanor Seet

President & Head of Asia ex-Japan, Nikko Asset Management

5. Won Shinbo

Managing Director, Head of Asia ex-Japan, BlackRock Investment Stewardship, BlackRock

6. Wong Dan Chi

Head of ESG Advisory and Integration, APAC, Schroders

7. Yeo Lian Sim

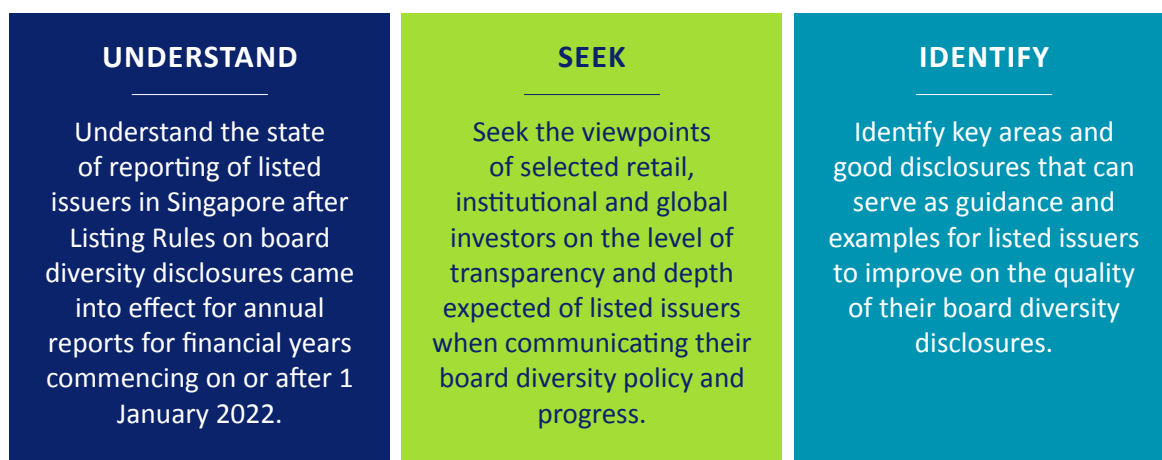
Vice Chair, Task Force on Climate-related Financial Disclosures

3. Executive Summary

In an increasingly volatile and uncertain global environment, marked by rapid and sudden market shifts and evolving societal norms and demands, companies are searching for ways to more effectively manage risks and opportunities, while comprehensively addressing stakeholder expectations. Against this backdrop is a growing recognition that diversity – perspectives, skills, and experience – is beneficial to overcoming the wide-ranging and complex challenges faced by companies.

As stewards of their company’s long-term strategy, boards play a critical role on matters that extend well beyond corporate governance to issues ranging from market positioning to environmental practices – all of which contribute to organisational resilience and business value. A suitably diverse board brings with it rich market insights, improved objectivity, innovation, and risk management, as well as an expanded network to new markets, partnerships, and opportunities. To fully realise these potential benefits, a board must foster a culture of inclusion where diverse views are heard, respected, and leveraged for board performance and positive outcomes. To this end, SGX has introduced Listing Rules on board diversity disclosures.

Arising from increased investor and stakeholder demand for greater diversity on boards, this study aims to:



PwC Singapore was appointed by Singapore Exchange Regulation (SGX RegCo) and Council for Board Diversity (CBD) to review SGX-listed issuers’ board diversity disclosures based on their latest annual reports published as at 31 July 2023. A total of 538 SGX-listed issuers were included in scope.

Main Observations

The **seven main observations** arising from this study¹ are as follows:

1. Majority have disclosed their board diversity policy

A vast majority of the listed issuers (89%) have disclosed their board diversity policy (Figure 1). Furthermore, a large majority (98%) of those who disclosed a board diversity policy included a description of how the combination of skills, talents, experience, and diversity present among their directors serve their needs and plans. Of those issuers that have not disclosed a board diversity policy, the deadline for such disclosures for most of them (7% of all listed issuers) was not yet due². These high adoption rates suggest that listed issuers have incorporated diversity into the board governance framework. This is a good start. Moving forward, listed issuers should continue to disclose and improve on best practices.

2. Common aspects of diversity cited are gender, skills and experience

Out of those listed issuers that disclosed a board diversity policy, 97% included gender, 99% included skills and experience and 91% included other relevant aspects of diversity e.g. age and length of service (Figure 2). Less commonly discussed factors include qualifications, educational background, and culture.

3. Only some listed issuers have disclosed diversity targets

Out of those listed issuers that have disclosed a board diversity policy, 41% have disclosed diversity targets. This percentage is expected to increase as listed issuers advance the implementation of diversity policies within their boards. Listed issuers should thoughtfully consider appropriate diversity targets that are suitable for the needs of the board and the organisation.

¹The study looked at the following Listing Rule 710A:

1. An issuer must maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity.
2. An issuer must describe in its annual report its board diversity policy, including the following:
 - a. the issuer's targets to achieve diversity on its board;
 - b. the issuer's accompanying plans and timelines for achieving the targets;
 - c. the issuer's progress towards achieving the targets within the timelines; and
 - d. a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

²Listing Rule 710A came into effect for annual reports for financial years commencing on or after 1 January 2022. As of the cut-off date of this study, some issuers were not due to publish their annual reports for the relevant financial year.

4. Consequently, a smaller proportion have disclosed plans, timelines and progress

Out of those listed issuers that have disclosed a board diversity policy, disclosures on accompanying plans and timelines for achieving their targets (21%) and progress towards achieving targets (11%) trail the disclosure rate on targets to achieve board diversity (41%) (Figure 3).

This is expected as these disclosures are contingent on the targets set. Being the first year of board diversity disclosures, it was observed that many listed issuers were insufficient in their description or have only partially revealed their progress or plans for achieving board diversity targets. Listed issuers should view this as an accompaniment to operationalising its diversity targets and aspirations.

5. There is increasing scrutiny on board diversity

Investors from the Advisory Body for this study highlighted the importance of quality board diversity disclosures that go beyond compliance with the Listing Rules when considering investing in listed issuers.

Board diversity is a factor that shareholders are paying much attention to. For Singapore-listed issuers to continue to attract global investments and ensure regional and global competitiveness, it is imperative that they improve upon their board diversity practices and consequently, their disclosures.

6. There are more and better disclosures for Top 100 listed issuers

The Top 100 listed issuers by market capitalisation³ as at 31 July 2023 demonstrate leadership through their higher rates of disclosure against both aspects of diversity and elements of a board diversity policy. 98% of the Top 100 listed issuers disclosed having a board diversity policy (Figure 4) and all of the Top 100 that have disclosed a board diversity policy have included a description of how the combination of skills, talents, experience and diversity of their directors serves their needs and plans (Figure 6). The remaining two listed issuers have recently disclosed their board diversity policy in response to SGX queries.

7. Certain sectors are leading the pack in board diversity disclosures

Sectors that have performed well across both aspects of diversity and elements of a board diversity policy include Consumer Non-Cyclicals, Real Estate and Financials.

³Market capitalisation represents the sum of market value for all relevant issue level shares types.

Key Statistics from Listed Issuers

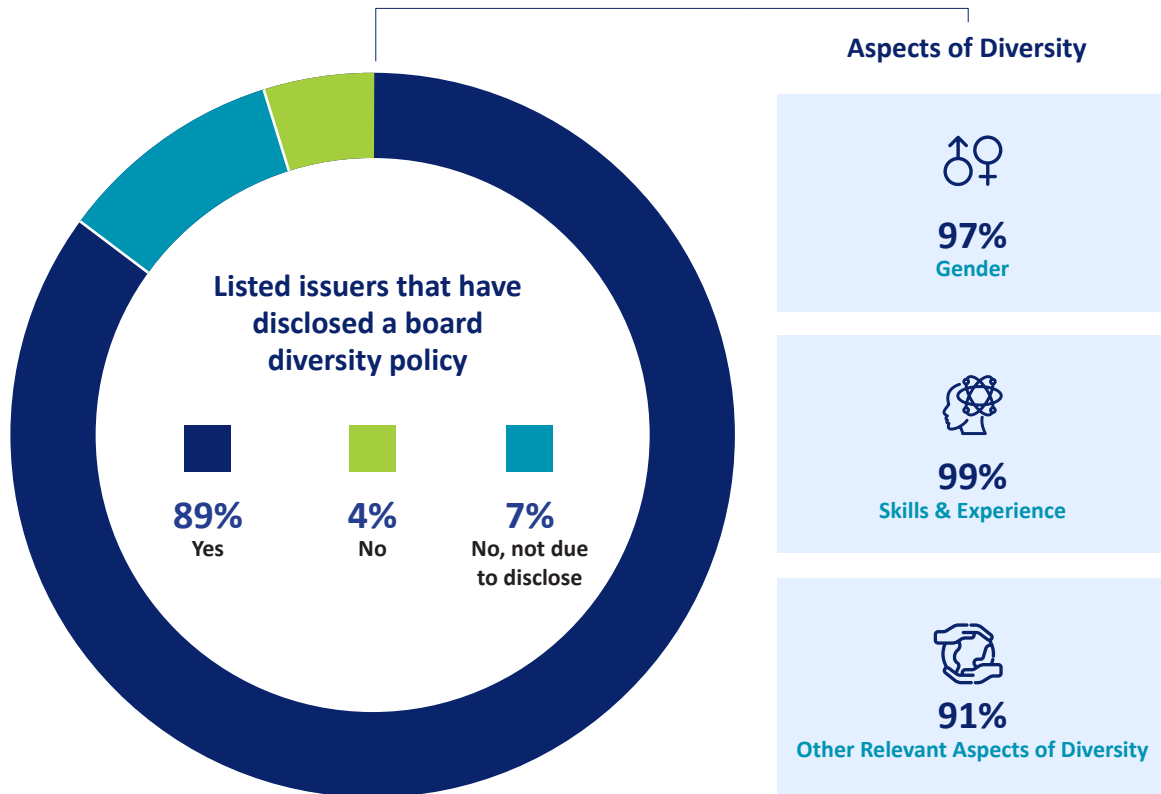


Figure 1: Percentage of listed issuers that have disclosed a board diversity policy

Figure 2: Percentage of listed issuers with a disclosed board diversity policy disclosing on different aspects of diversity

Elements of a Board Diversity Policy

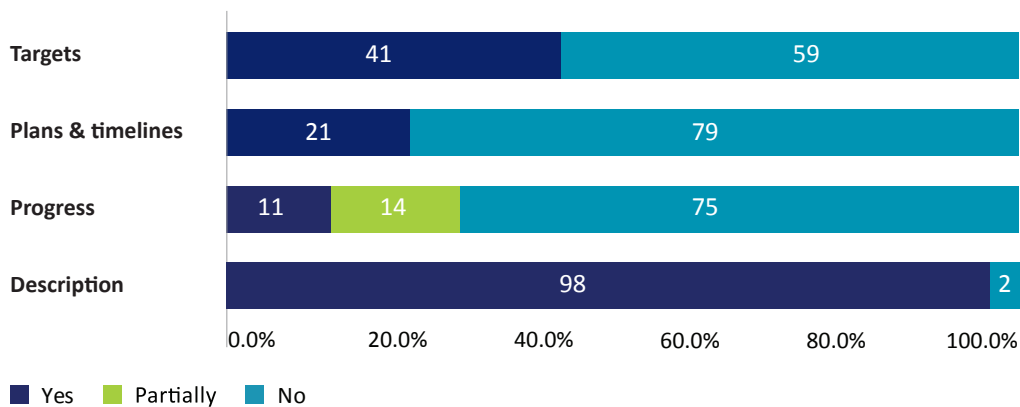


Figure 3: Percentage of listed issuers with a disclosed board diversity policy that have disclosed various elements of a board diversity policy

Key Statistics from Top 100 Listed Issuers

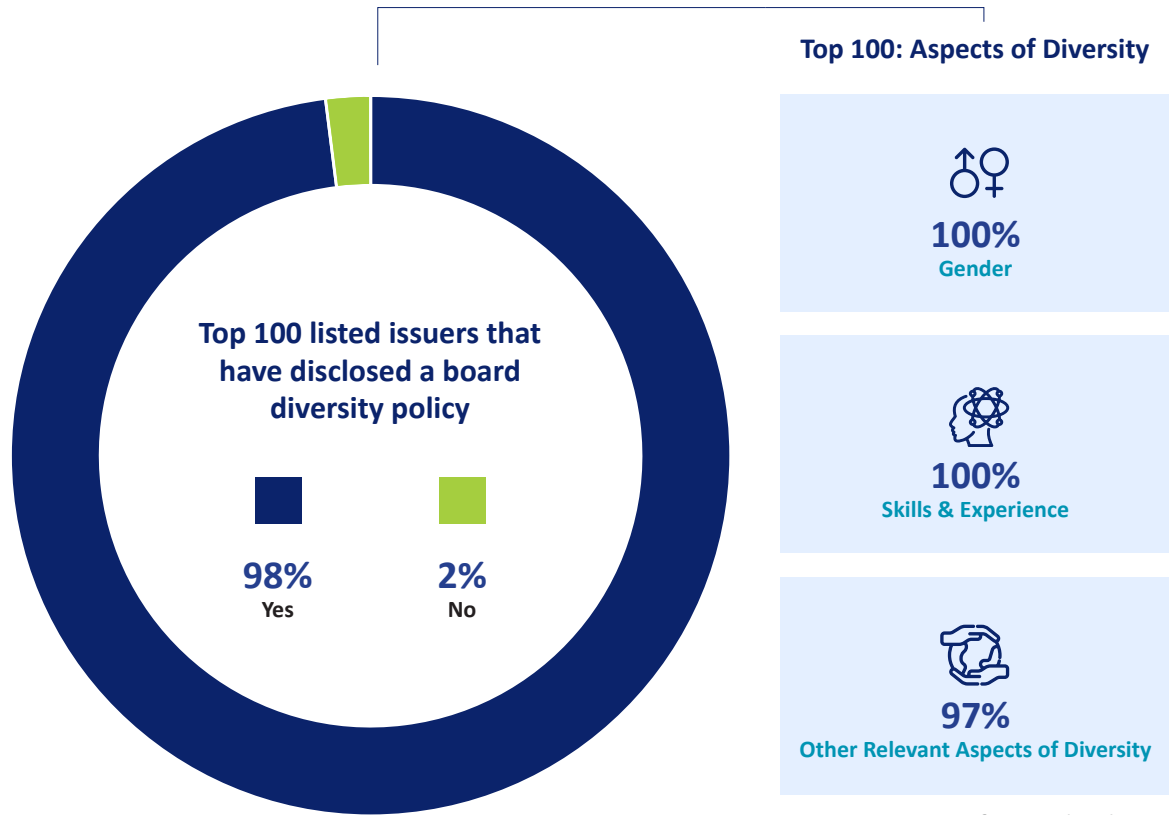


Figure 4: Percentage of Top 100 listed issuers that have disclosed a board diversity policy

Figure 5: Percentage of Top 100 listed issuers with a disclosed board diversity policy disclosing on different aspects of diversity

Top 100: Elements of a Board Diversity Policy

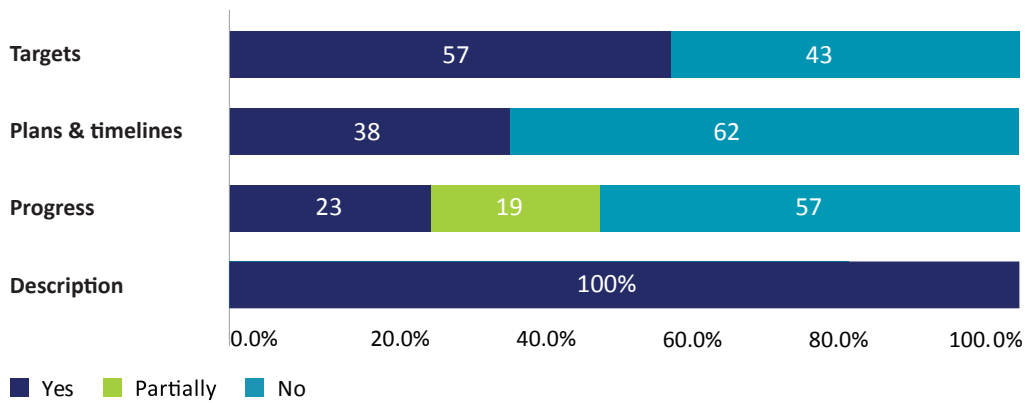


Figure 6: Percentage of Top 100 listed issuers with a disclosed board diversity policy that have disclosed various elements of a board diversity policy

Quality of Disclosures

The level of detail within reports varied significantly, which is to be expected given this is the first year of reporting on board diversity for many listed issuers. Maturity level of these disclosures is therefore still in the early stages. Nevertheless, there were listed issuers that provided detailed information on their approach to board diversity and the actions taken by their nominating committees. Section 7 of this study presents some exemplary disclosures to provide some guidance to listed issuers for future reporting.



We recognise that disclosure is key in diversity, but currently we're seeing boilerplate statements and commitments that neither offer value nor do they do more than provide limited insight to investors. An important step change would be to have clear, ambitious targets and to understand how a diversity policy and the actions to deliver it are in-built into a company's strategy: this is where it should sit, and where it will be of most value.

Clare Payn, Senior Global ESG & Diversity Manager, Legal and General Investment Management

Effective disclosures went beyond rule compliance, and included:

- Explanations on why specific aspects of diversity were included in their diversity policy and **how these relate to their business operations and needs.**
- A **comprehensive skills matrix** which presented a detailed profile of the board members, including their skills, experience, gender, age, and length of service.
- **Acknowledgment of the gaps** in their existing board mix and descriptions of the actions being taken to address them in the coming years.
- A **clear progress tracker** presenting targets to achieve board diversity and accompanying timelines alongside the progress being taken to meet the targets within the timelines.

Board Diversity Requirements in Peer Jurisdictions

In Singapore, the Council for Board Diversity recommends 25% women's representation on boards by 2025 and 30% by 2030. These recommendations are not mandatory and companies may set their own voluntary targets, with plans and progress disclosed in their annual reports.

With an eye to regional and global developments, this study also considered the requirements of peer jurisdictions and their respective board diversity disclosures. We note and observe that:

- Several jurisdictions, including US, UK, Australia, Hong Kong and Malaysia, have set board diversity quotas and minimum requirements. For example, Hong Kong and Malaysia require at least one woman on the board, while UK calls for a 40% quota of women on the board, with at least one woman in a senior board position and one from a minority ethnic background. Malaysia also has limits on the tenure of an independent director.
- Generally, all jurisdictions apply a 'comply or explain' mechanism to board diversity disclosures. While there may not be penalties for non-compliance, companies are responding to growing expectations on board diversity from key stakeholders and enhancing their disclosures accordingly.
- Singapore-listed issuers that are looking to expand and compete in the global arena, and attract global investments, would benefit from understanding international practice and meeting these standards.

Issuers in Singapore should expect to face market pressure and not risk being inward looking, satisfied with our current state of disclosures. We need to remain relevant and competitive with moving international standards, and market and societal expectations.

Eleanor Seet, President & Head of Asia ex-Japan, Nikko Asset Management

Investor Perspectives

In recognition of the growing demand for board diversity disclosures by investors, this study included consultation with our Advisory Body (see page 6), comprising retail, institutional and global investors, to provide a global perspective on board matters they are engaging their investees on. Our Advisory Body has:

- Highlighted and validated the importance of the quality of board diversity disclosures when considering investing in listed issuers. Recognising the value of a diverse board, they are keen to understand the approach boards and nominating committees have taken to establish their board diversity policy and respective targets to achieve diversity on their boards.
- Emphasised that the actions and progress disclosed by listed issuers send a strong signal to investors on how committed they are to integrating and adopting board diversity.

Recommendations

Based on the learnings from the review of listed issuers' board diversity disclosures, peer jurisdiction regulatory requirements, and consultations with our Advisory Body, this study provides recommendations and examples of how listed issuers can improve on the quality of their board diversity disclosures. The recommendations are:

- 1** Board diversity disclosures should be contextualised to the business strategy and needs, which include presenting the rationale behind the aspects of diversity included in the board diversity policy.
- 2** Having more transparency and effective communication of the listed issuers' existing board make-up through a skills matrix, tying back to the areas of focus within the board diversity policy, will be beneficial for listed issuers. Furthermore, listed issuers should disclose the proactive steps being taken to address gaps in the board mix.
- 3** The ambitions of the board diversity policy should be made concrete through clear targets, plans, and timelines, as well as the communication of year-on-year progress made towards achieving these goals. The setting of plans and timelines are closely linked to targets, and should be carried out sooner rather than later in order to enable progress towards better board diversity. Doing so makes a listed issuer's commitments more tangible and demonstrates to investors and stakeholders that board diversity is being taken seriously. In addition, the expectations of investors should be considered as a signal for even further acceleration in these areas.



One useful tool which boards can potentially adopt is the board skills matrix where each board member's skills and qualifications are mapped against a list of key areas of expertise. Gaps identified through the board skills matrix could guide recruitment efforts when filling board positions. This is an emerging best practice in some jurisdictions but has yet to be widely adopted by listed companies here.

Ravi Menon, Managing Director, Monetary Authority of Singapore

4. Introduction

The Importance of Board Diversity

Board diversity amplifies corporate value creation. Different perspectives, knowledge and skill sets positively contribute to companies' decision-making processes.

Uncertainties abound in the business environment. Disruption comes in many forms, such as the unprecedented COVID-19 pandemic, the climate crisis, geopolitical tensions after decades of peace dividend, cybersecurity risks from threat actors, and fundamental shifts in global supply and demand.

These multi-faceted challenges demand that directors, as a group, are appropriately composed to chart corporate strategy and preserve, if not create, enterprise value.

Additionally, with an increasing focus on sustainability, investor and societal expectations on diversity and representation at the senior leadership and board levels have resulted in a greater push to include various experiences, backgrounds, skill sets, gender, and ethnicity at board level.

It is therefore crucial to have leaders who provide varying perspectives and voices in the boardroom to serve the best interests of the company. Diversity on boards enables companies to better understand the needs of their stakeholders, strengthen their organisational resilience, and facilitate better decision-making.



Academic studies and research have shown that there is a strong correlation between board diversity, financial performance and value creation. Diversity in the boardroom brings various benefits to companies, including improved decision-making, better governance, enhanced innovation and strengthened connections to stakeholders.

Chan Wai Ching, Chief Corporate Officer and Head, Organisation & People, Temasek International

Implementation of Board Diversity in the Listing Rules

In Singapore, the Code of Corporate Governance (CG Code) was amended in 2018 to encourage greater transparency and accountability on board diversity matters. The CG Code emphasised that “diversity of thought and background” guards against groupthink, fosters more robust discussions and enables the board to make better decisions in the issuer’s best interests.

Diversity is multi-dimensional and is to be viewed holistically. Characteristics like age and personal background should be considered alongside gender, skills, and professional experience. The CBD believes that a diverse board brings together the diversity of judgement needed to chart the best course through uncertainty, challenge, opportunities, and risks. In particular, the inclusion of women on boards – the most visible and measurable aspect of diversity – acts as a powerful lead-in to the other forms of diversity that bring value to the board’s role in organisations.

In view of the above, SGX RegCo implemented enhancements to the Listing Rules to foster board diversity disclosures, which are required to be adopted in listed issuers’ annual reports for financial years commencing on or after 1 January 2022. The enhancements followed a consultation that received strong support from the public.

The Listing Rules prompt consideration of relevant aspects of diversity to be included in board nominations, encouraging listed issuers to be open and inclusive in their evaluations. Moreover, the requirement to disclose targets to achieve board diversity, accompanying plans and timelines for achieving the targets and progress towards achieving targets within the timelines will hold listed issuers accountable and facilitate discussions around board diversity.

Listing Rule 710A(1)

An issuer must maintain a board diversity policy that addresses gender, skills and experience and any other relevant aspects of diversity.

Listing Rule 710A(2)

An issuer must describe in its annual report its board diversity policy, including the following:

- a. The issuer’s targets to achieve diversity on its board;
- b. The issuer’s accompanying plans and timelines for achieving the targets;
- c. The issuer’s progress towards achieving targets within the timelines; and
- d. A description of how the combination of skills, talents, experience and diversity of its director services the needs and plans of the issuer.

About our Study

Our study examined the disclosures of listed issuers⁴ against the various elements of the Listing Rules. This included looking at board diversity policies, targets, plans, and timelines to achieve diversity on boards and progress towards achieving the targets.

We looked at the quality of these disclosures, including how listed issuers contextualised board diversity considerations to their business strategy and needs. We also identified exemplary cases of disclosures that companies can reference.

Additionally, we analysed further into the trends and quality of disclosures amongst the Top 100 listed issuers by market capitalisation to obtain a better understanding of any variation in performance.

With an eye to global developments, our study also covers requirements for board diversity in peer jurisdictions and the exemplary cases of board disclosures in these respective jurisdictions. The findings are intended to enable learning and facilitate discussions around quality disclosures for board diversity.

We further consulted our Advisory Body comprising retail, institutional and global investors for their perspectives on the expected performance and priorities relating to board diversity disclosures.

Scope of Research

1

Analysis of disclosures against elements in the Listing Rules by SGX-listed issuers, based on their latest annual reports published as at 31 July 2023. A total of 538 SGX-listed issuers were included in scope.

2

Analysis of Top 100 SGX-listed issuers by market capitalisation (as at 31 July 2023) on the quality of disclosures compared to other SGX-listed issuers.

3

Sector analysis based on The Refinitiv Business Classification (TRBC).

4

Analysis into the board diversity listing rules and regulations of peer jurisdictions such as US, UK, Australia, Hong Kong and Malaysia. This also includes looking into the disclosures of large issuers and the common disclosure practices.

PwC Singapore was appointed by SGX RegCo and CBD to conduct this review of SGX-listed issuers' board diversity disclosures.

⁴ Excludes secondary listings, newly listed issuers, cash companies (as defined in the SGX-ST Listing Manual), suspended issuers, issuers under judicial management, special purpose acquisition companies and issuers unable to be analysed (for e.g. delisted).

5. Overview of Board Diversity Disclosures

The vast majority (89%) of listed issuers disclosed their board diversity policy in their annual reports (Figure 7). 13% of all listed issuers are early adopters, as they were not yet due to disclose against the Listing Rules but still chose proactively to do so.

Amongst the 11% of listed issuers that have not disclosed a board diversity policy, more than half (7%) were not due to disclose against the Listing Rules yet, as at the 31 July 2023 cut-off for this study⁵.

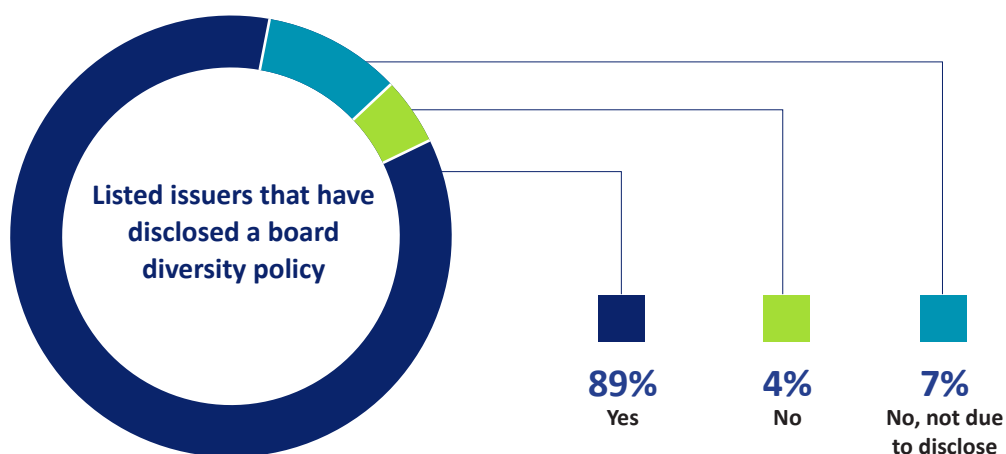


Figure 7: Percentage of listed issuers that have disclosed a board diversity policy

Aspects of Diversity

Amongst the listed issuers which disclosed a board diversity policy, skills and experience was the most disclosed aspect of diversity (99%), with gender coming a close second (97%) (Figure 8). Aside from gender and skills and experience, listed issuers with a board diversity policy also disclosed other relevant aspects of diversity (91%).

Listed issuers generally stated that merit-based appointments remained a central consideration in nominating board members, regardless of the aspects of diversity.



Figure 8: Percentage of listed issuers with a disclosed board diversity policy disclosing on different aspects of diversity

⁵ Listing Rule 710A came into effect for annual reports for financial years commencing on or after 1 January 2022. As of the cut-off date of this study, some issuers were not due to publish their annual reports for the relevant financial year.

Key Highlights and Findings for Aspects of Diversity



Gender

- Of the 477 listed issuers that have disclosed a board diversity policy, a majority of them (97%) have reported that they consider gender as a factor in their board diversity policy or during board appointments.



Skills & Experience

- 99% of listed issuers which have disclosed a board diversity policy have disclosed that skills and experience is considered in their board diversity policy.
- Skills and experience was the most disclosed aspect of diversity in listed issuers' board diversity policy, reflecting that skills and experience remains top of mind for nominating committees.



Any Other Relevant Aspects Of Diversity

- 91% of listed issuers which have disclosed a board diversity policy have included other relevant aspects of diversity besides gender and skills and experience in their board diversity policy, the most common being age.
- Other relevant aspects of diversity included by listed issuers in their board diversity policy include: length of service, ethnicity, geographical region, and industry knowledge. Less commonly discussed factors include qualifications, educational background, and culture. These were terminology used by listed issuers.

Elements of a Board Diversity Policy

The board diversity policies disclosed by listed issuers were further analysed. There are four key elements set out in the Listing Rules: (1) diversity targets, (2) plans and timelines for achieving the targets, (3) progress towards achieving the targets within the timelines, and (4) a description of how diversity serves the listed issuer.

The study found that of listed issuers that have disclosed a board diversity policy, 41% have disclosed their targets to achieve diversity on their boards, 21% disclosed their accompanying plans and timelines for achieving the targets, and 11% disclosed their progress towards achieving the targets within the timelines (Figure 9). As timelines and progress are contingent on setting targets, both timelines and progress were disclosed less often than targets.

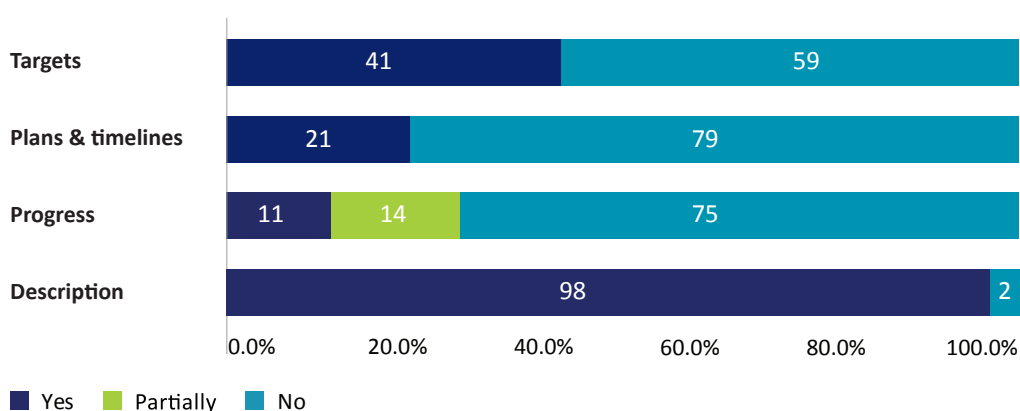


Figure 9: Percentage of listed issuers with a disclosed board diversity policy that have disclosed various elements of a board diversity policy

Currently, many listed issuers are disclosing more qualitatively around their targets, without specific targets set, or partially disclosing their progress for achieving board diversity targets. Some listed issuers that partially disclosed their progress have described their performance against their board diversity targets, but have not included a timeline for achieving their targets.

98% of listed issuers that have disclosed a board diversity policy provided a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the listed issuer. In efforts to outline the importance of diversity, listed issuers have highlighted benefits such as avoiding groupthink, fostering constructive debate, enhancing decision-making capability, and benefitting from various talents and perspectives in their reporting.

In reviewing the disclosures, we have applied the following criteria:

- If there are no targets set for board diversity, accompanying plans and timelines for achieving the targets will also be assessed as a “No”.
- Progress would be assessed as a “Yes” for listed issuers that have explicitly provided a narrative on their performance towards achieving the targets within disclosed timelines.
- Progress would be assessed as “Partial” for listed issuers that disclosed their progress on their targets without mention of whether targets were achieved within accompanying timelines.

While there is certainly room for improvement in the disclosure performance, listed issuers appear to have understood the importance and benefits of board diversity.

Considering that this is the first year of reporting against the Listing Rules, the results observed reflect that listed issuers are still in the early stages of implementing diversity policies at board level, and are still determining the appropriate targets, timelines, and plans for addressing their board diversity. Consequently, the progress of diversity on boards can be observed in the coming years.

Listed issuers should make it a priority to consider appropriate targets, accompanying plans and timelines in order to facilitate progress towards better board diversity to serve the needs of the organisation. Determination of suitable plans and timelines, which are closely linked to the establishment of targets, should be set in the nearer term (as opposed to longer term) in order to enable the tracking of progress on the listed issuer’s board diversity. Expectations of investors should be considered as a signal for even further acceleration in these areas.

As listed issuers gain more clarity and maturity on the action plans needed to commit to specific targets and timelines, disclosures around the elements of a board diversity policy are expected to become more comprehensive in the future.

Sectoral Analysis – Aspects of Diversity

To further understand the disclosures of listed issuers, we have performed a sectoral analysis based on the companies that have disclosed a board diversity policy in the respective sectors. The sectoral breakdown was determined using TRBC, which has identified 13 sectors, two of which, Institutions, Associations & Organisations and Government Activity, were not relevant categories for listed issuers in this study.

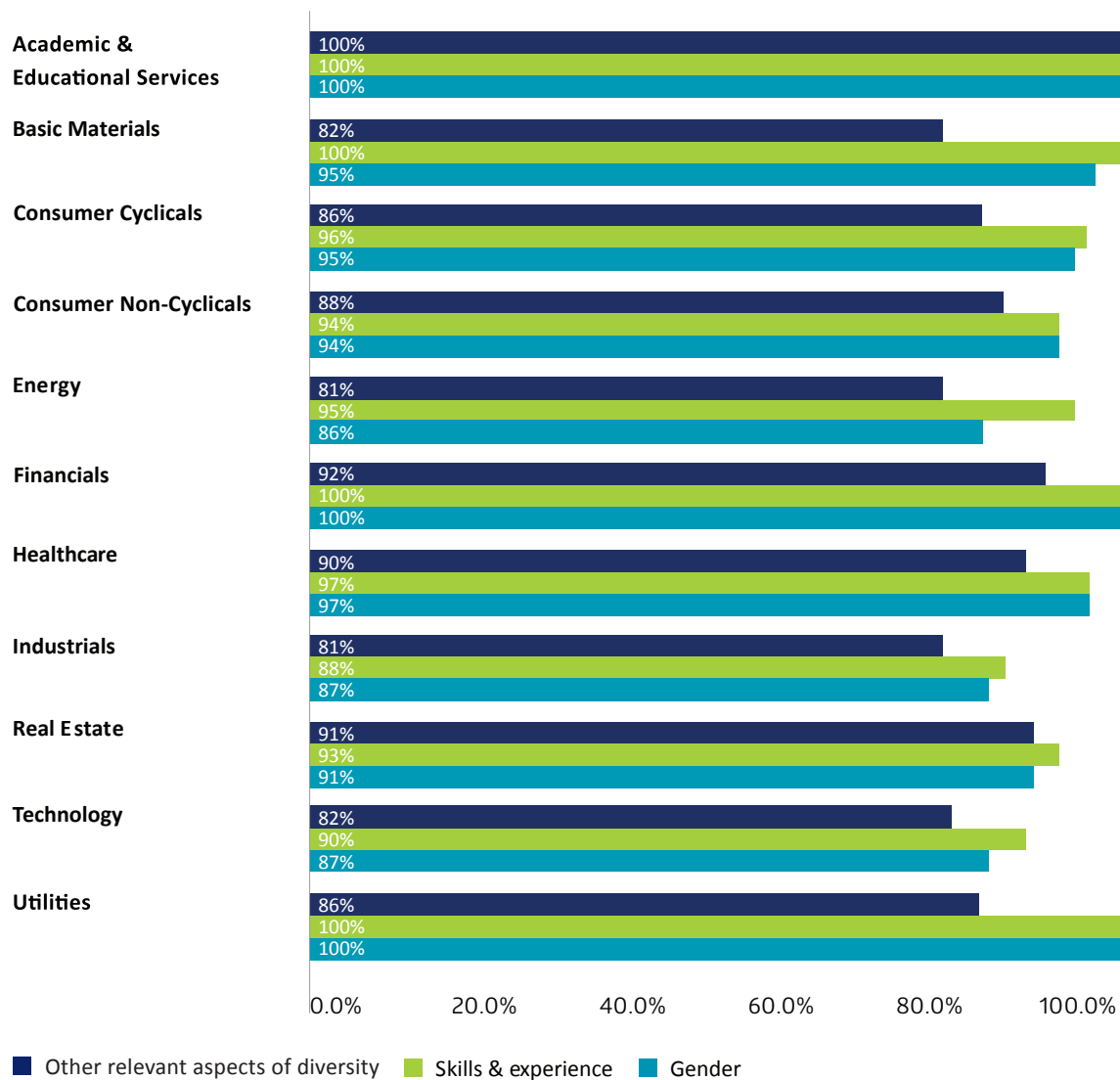


Figure 10: Percentage of listed issuers with a disclosed board diversity policy by sector disclosing on the aspects of diversity

Figure 10 identifies the diversity aspects of the 11 sectors, identifying the percentage of listed issuers in each sector that disclosed the different diversity aspects: (1) gender, (2) skills and experience, and (3) any other relevant aspects of diversity.

Top 5 Sectors with the Highest Rates of Disclosures across all 3 Diversity Aspects:



100%
Academic & Educational Services⁶



92%
Financials



94%
Real Estate



91%
Consumer Non-Cyclicals



93%
Healthcare

Some sectors, such as Utilities, have a high percentage of disclosure on gender and skills and experience. In the Utilities sector, all listed issuers with a board diversity policy have included gender and skills and experience in their board diversity policy but only 86% have included other relevant aspects of diversity. As such, this has lowered their overall level of disclosure.

⁶ The Academic & Educational Services sector only has one listed issuer that disclosed a board diversity policy.

Sectoral Analysis – Elements of a Board Diversity Policy

Figure 11 identifies the disclosure of different elements of a board diversity policy across the 11 sectors reviewed. It identifies the percentage of listed issuers in each sector that disclosed (1) diversity targets, (2) plans and timelines for achieving the targets, (3) progress towards achieving the targets within the timelines, and (4) a description of how diversity of its directors serves the listed issuer.

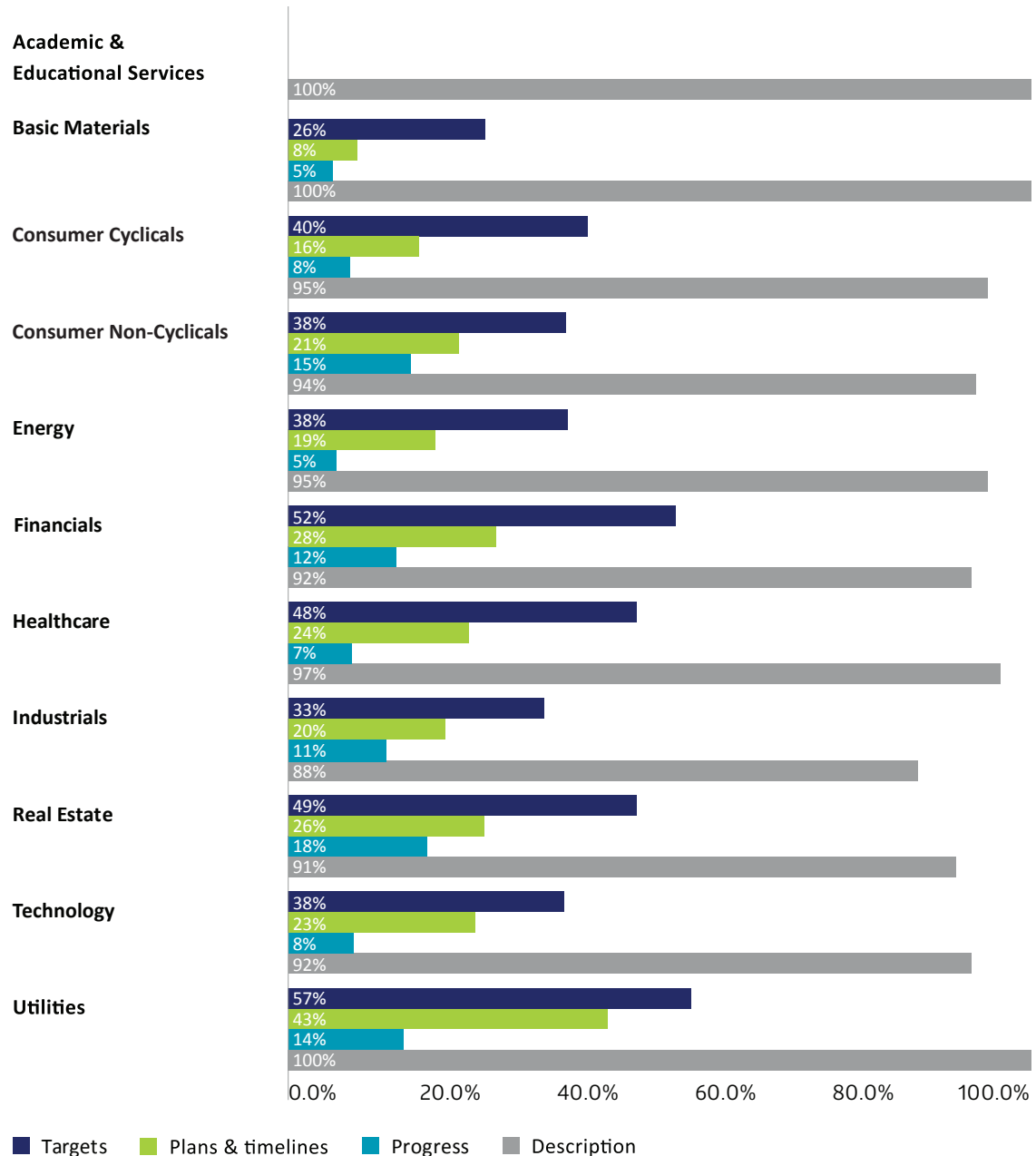


Figure 11: Percentage of listed issuers with a disclosed board diversity policy by sector disclosing on the elements of a board diversity policy

The sector with the highest overall percentage disclosure is the Real Estate sector with 16% disclosing across all four elements. The higher rate of disclosure could be due to many also disclosing under the Global Real Estate Sustainability Benchmark (GRESB) that has a section on diversity.

This is followed by Consumer Non-Cyclicals (15%), Utilities (14%), Financials (12%), and Industrials (11%) sectors. While the Academic & Educational Services⁷ sector had high disclosure rates on how a diverse board serves the needs and plans of the issuer, it had the lowest disclosure on the other elements.

Top 5 Sectors with the Highest Overall Percentage Disclosure across all 4 Elements:



⁷ The Academic & Educational Services sector only has one listed issuer that disclosed a board diversity policy.

6. Performance of Top 100 Listed Issuers

Further analysis has been conducted on the performance of the Top 100 listed issuers by market capitalisation⁸ to identify if disclosure differs as compared to listed issuers with smaller market capitalisation.

Aspects of Diversity

It was found that amongst the Top 100 listed issuers, 98% have disclosed a board diversity policy, with the last two listed issuers recently disclosing in response to SGX queries (Figure 12).

Of the Top 100 listed issuers that have disclosed a board diversity policy, all have included gender and skills and experience, while a majority have included other relevant aspects of diversity (97%) in their board diversity policies (Figure 13). Many of the Top 100 listed issuers have further included examples of the different skills and experience that are relevant such as financial, accounting, or business strategy. They have also included other relevant aspects of diversity such as age, ethnicity, length of service, and geographical region (Figure 14).⁹

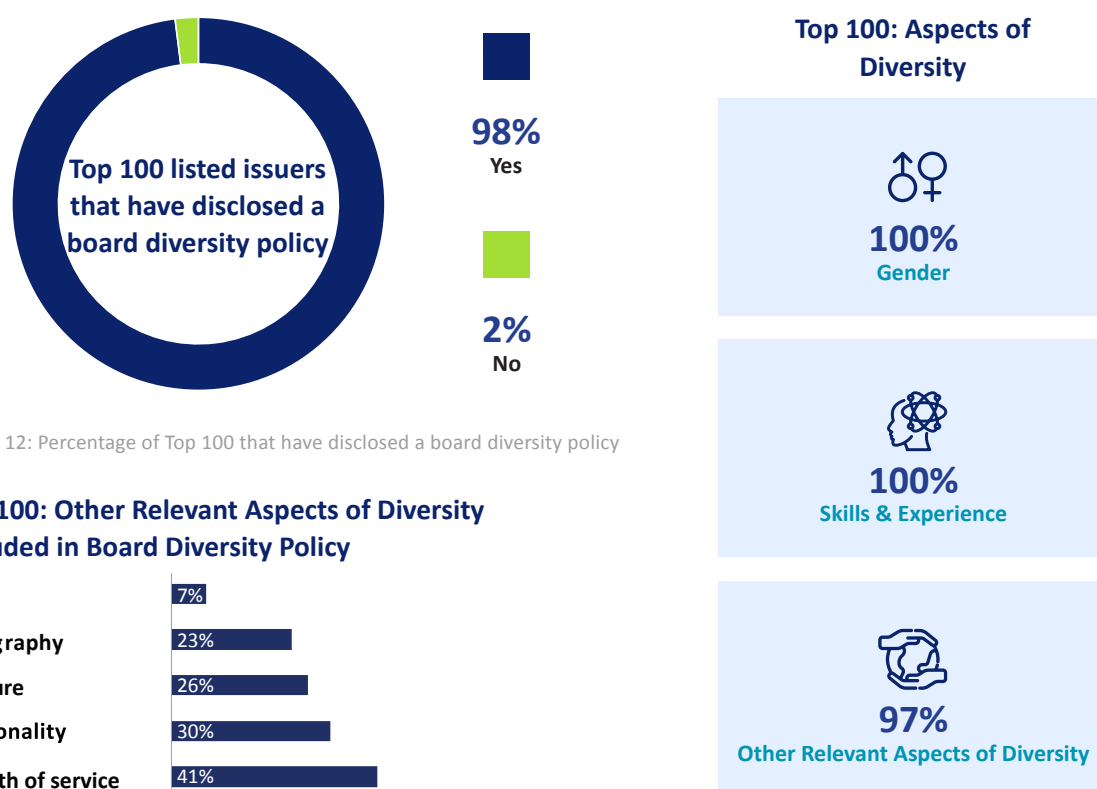


Figure 12: Percentage of Top 100 that have disclosed a board diversity policy

Top 100: Other Relevant Aspects of Diversity Included in Board Diversity Policy

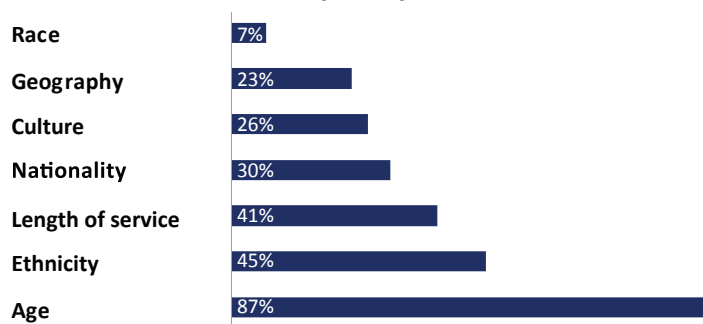


Figure 14: Percentage of Top 100 listed issuers with a disclosed board diversity policy that have disclosed other relevant aspects of diversity

Figure 13: Percentage of Top 100 listed issuers with a disclosed board diversity policy disclosing on different aspects of diversity

⁸ Market capitalisation represents the sum of market value for all relevant issue level share types. The market capitalisation was obtained as of 31 July 2023.

⁹ The terminology used for the other relevant aspects of diversity were directly extracted from the disclosures of the listed issuers that have disclosed a board diversity policy.

Elements of a Board Diversity Policy

Overall, the Top 100 had higher rates of disclosure on their targets, plans and timelines, and progress. The findings show that 57% of the Top 100 listed issuers that disclosed a board diversity policy have disclosed one or more targets to achieve board diversity (Figure 15). These targets covered various diversity aspects, the most common of which is gender diversity.

Top 100: Elements of a Board Diversity Policy

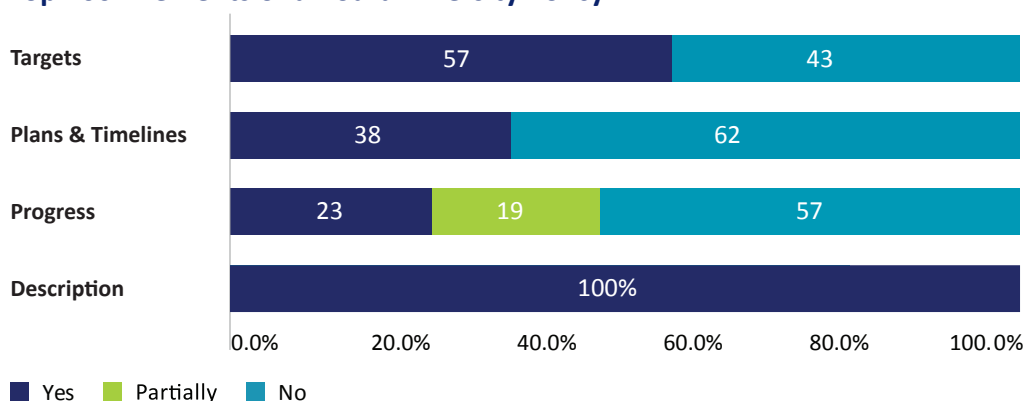


Figure 15: Percentage of Top 100 listed issuers disclosing on elements of a board diversity policy

Of the Top 100 listed issuers with gender diversity targets, the median target was to have 25% of the board composed of women.

The highest target was 50% female representation. Accompanying timelines for these targets ranged from 2023 to 2030, with the median timeline being 2029.

Aside from gender targets, age and skills and experience were the other more commonly disclosed diversity targets. These targets tended to be more qualitative in nature, usually describing the age range of their directors or the sector and geographical expertise they were looking to enhance.

As a whole, the Top 100 listed issuers by market capitalisation are seen to have more robust and comprehensive board diversity disclosures as compared to the full population of listed issuers studied. This may be attributed to various factors including being more mature reporters, and greater expectations and pressures from stakeholders and investors to report more extensively and to provide greater transparency through their disclosures.

7. Improving Board Diversity and Enhancing the Quality of Board Diversity Disclosures

An important aspect of this study included understanding the quality of disclosures and identifying exemplary disclosures amongst listed issuers. The quality of disclosures is key for investors to identify the current state of board diversity and also gain clarity on listed issuers' progress and efforts to increase diversity on boards. The following are key areas where the quality of disclosures was identified by investors to be particularly critical.



It is good that industry players are evaluating this round of disclosures to discover current approaches to diversity, and companies can also benefit through learning from each other.

Ang Hao Yao, Honorary Secretary, Securities Investors Association (Singapore)

Contextualised Board Diversity Disclosures

The most insightful and exemplary examples of board diversity policy disclosures were those which made connections between considerations of board diversity with business strategy and needs. Investors identified this contextualisation as a crucial component of good disclosure to avoid generic statements which might address compliance but not offer meaningful insight. Contextualised disclosures of how board diversity benefits the listed issuer and the rationale behind decisions on board appointments or diversity policies help stakeholders understand the listed issuer's position and process better.

In this regard, while the majority of listed issuers (89%) disclosed having a board diversity policy in place, only a minority of such disclosures contextualised their board diversity to their business strategy and needs to explain why certain aspects of diversity were featured in their policy. Accordingly, disclosures were often generalised statements providing high-level information about what was included in the policy (e.g. gender, skills, age, etc.) without providing a company-specific context. For example: "The Board recognises the importance and value of gender diversity in the composition of the Board."

Exemplary disclosures

- Listed issuers that have exemplified effective disclosures were those which explained what aspects of diversity were important to the business and why.
- The following are excerpts of listed issuers that have contextualised their board diversity disclosures to the business needs and context of their industry.
 - SBS Transit Ltd (SBS Transit) has highlighted in its board diversity policy disclosures how directors with different skills and leadership experiences serve the needs of its public transport services business for members of the public.
 - Singapore Post Limited (SingPost) has similarly disclosed the different skills and experience that it considers in appointing its board which are relevant to the business (e.g. eCommerce, logistics, accounting, digital and IT, etc.).

We believe that there is no “one-size-fits-all” approach and that diversity should be considered broadly and in connection with a company’s business model, strategy, location and size. Depending on the company, it is also useful to consider professional characteristics such as a director’s industry experience, specialist areas of expertise and geographic location, as well as their personal background and perspectives.

Won Shinbo, Managing Director, Head of Asia ex-Japan, BlackRock Investment Stewardship, BlackRock

BOARD DIVERSITY POLICY

The Company adopted a Board Diversity Policy in 2019 which focusses on ensuring an appropriate balance and mix of skills, knowledge, experience, age, gender and other aspects of diversity within the Board to avoid groupthink and bias, and instead foster constructive debate and achieve effective decision-making in the best interests of the Group. Under the Board Diversity Policy, the NRC will discuss and agree annually the relevant measurable targets for promoting and achieving diversity in the composition of the Board and Board Committees and make its recommendations for consideration and approval by the Board.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate’s suitability in strengthening the diversity of skills, experience, age, gender, knowledge and core competencies of the Board relevant to the Group. In relation to gender diversity, the Board ensures that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board, and in 2022, the Board adopted a guideline that at least one female Director sits on each Board Committee including the NRC. As at 31 December 2022 and 1 January 2023, out of ten (10) Directors and eleven (11) Directors respectively, three (3) Directors (or respectively, 30% and 27.2%) were females, with three (3) female Directors sitting on the ARC, one (1) female Director sitting on the NRC, and two (2) female Directors sitting on each of the SQC and the TIC. As there was no female Director

on the SC, the NRC and the Board approved the appointment of Ms Chua Mui Hoong as a member of the SC with effect from the date of the forthcoming AGM, if she is re-elected as a Director. The number of female Directors on the ARC, SQC, and TIC exceeds the Company’s Board Diversity Policy guideline while the number of female Directors on the NRC meets the guideline. The Company has also exceeded the target of the Council for Board Diversity to have at least 25% of Board seats held by females by 2025.

The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, legal, engineering, internal security, media, regulatory and business management, which are important to the Group as the Group is in the public transport services business and has to deal with various stakeholders including members of the public (being its customers), trade associations and professional bodies and regulators. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NRC is satisfied that the Board and Board Committees currently comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age, gender, and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

Source: [Page 43 & 44 of SBS Transit Annual Report 2022](#)

https://www.sbstransit.com.sg/Uploads/Investor_Relations/Annual_Report/2022/SBST%20Annual%20Report%202022.pdf

Besides *Gender* diversity, the Board strives towards achieving diversity more broadly, including diversity in terms of its *Skill Sets* and *Sectoral Experience*, and where possible, *Age* diversity, within the Board to enhance effective stewardship and oversight of the Group. The current Board comprises individuals with an appropriate combination of qualifications and competencies, including experience and/or expertise in eCommerce, logistics, accounting, finance, legal, business and management, strategic planning and investments, digital and IT, and global business experience, being the skill sets identified by the Board as critical to provide effective stewardship and oversight of the Group, as well as individuals who collectively possess experience encompassing the majority of the sectoral areas identified as being relevant to the Group. Currently, the ages of the Board members range from 41 to 73 years.

Source: Page 64 of SingPost Annual Report 2022/2023

https://www.singpost.com/sites/default/files/upload/publications/SingPost-AR-2022_23-Full-Report.pdf

Skills Matrix

A skills matrix is an effective way to present the skills and experience of all board members. Beyond illustrating the competency of the board of directors, it can also be used to highlight other aspects of diversity including age, gender, ethnicity, and length of service, so that at a glance, investors and stakeholders can identify the current board make-up in relation to the listed issuer's board diversity policy.

Listed issuers can also consider expressing their plans and targets by presenting their desired matrix, in addition to the current composition of their boards.

Exemplary disclosures

- Skills matrices were less commonly disclosed by listed issuers. The exemplar skills matrices were those which included a broad range of diversity aspects, in some cases breaking them down by individual directors.
- Wilmar International Limited (Wilmar International) has included a skills matrix that outlines not only the skills and experience of each director on the board but also presented it by geography.
- Singapore Telecommunications Limited (Singtel) has included a skills matrix in the form of a bar chart, showing the percentage of directors with their respective skills, experience and geographical expertise. It has also included pie charts of the various diversity aspects e.g. gender, independence, length of service, and age.

Companies might find it constructive and holistic to consider a board matrix for board planning and evaluation purposes as an initial step towards enhancing diversity. Expressions of current and desired matrices can serve as a positive exercise in aligning goals and communicating them.

Eleanor Seet, President & Head of Asia ex-Japan, Nikko Asset Management

The Board's skill matrix, which sets out the expertise, skill and experience of the Board, is as follows:

Directors' Expertise and Experience Matrix

Directors	Kuok Khoon Hong	Pua Seck Guan	Teo La-Mei	Kuok Khoon Ean	Kuok Khoon Hua	Gregory Morris	Lim Siong Guan	Tay Kah Chye	Kwah Thiam Hock	Kishore Mahubani	Teo Siong Seng	Soh Gim Teik	Chong Yoke Sin	Juan Ricardo Luciano	Tong Shao Ming
Banking & Finance		√		√				√			√				√
Insurance									√						√
Accounting & Finance						√		√	√			√			√
Legal			√												√
Corporate Governance			√	√				√	√			√		√	√
Risk Management	√			√		√	√	√				√			√
Industry knowledge	√	√		√	√	√		√						√	√
Entrepreneurial and management	√	√		√	√		√		√		√		√		
Investment	√	√		√	√		√		√				√		√
Public Policies							√			√					
Shipping	√			√					√		√				
Commerce	√	√		√							√				
Strategic & Analytics	√	√		√	√	√	√	√		√		√	√	√	√
Corporate Restructuring	√	√	√	√	√			√			√	√	√	√	√
Information Technology and Cyber Security		√											√		

Directors' Expertise and Experience Matrix By Geography

Directors	Kuok Khoon Hong	Pua Seck Guan	Teo La-Mei	Kuok Khoon Ean	Kuok Khoon Hua	Gregory Morris	Lim Siong Guan	Tay Kah Chye	Kwah Thiam Hock	Kishore Mahubani	Teo Siong Seng	Soh Gim Teik	Chong Yoke Sin	Juan Ricardo Luciano	Tong Shao Ming
Singapore	√	√	√	√			√	√	√	√	√	√	√	√	√
PRC (incl Hong Kong)	√	√	√	√	√				√	√	√	√	√	√	√
Indonesia and Malaysia	√	√	√	√				√		√		√			√
Africa	√								√		√				
Australia	√		√	√							√		√		
USA				√		√				√			√	√	
India	√	√	√							√	√				
Russia	√														
Ukraine	√														
Brazil														√	
Vietnam								√			√				√
UK															√
Thailand															√

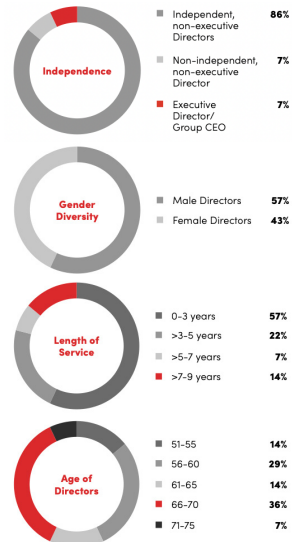
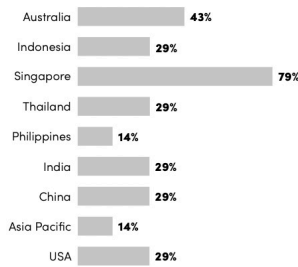
Source: Page 70 & 71 of Wilmar International Annual Report 2022

<https://www.wilmar-international.com/annualreport2022/documents/Wilmar-International-Limited-AR2022.pdf>

Expertise and Experience Matrix



Expertise and Experience by Geography



Source: Page 41 of Singtel Annual Report 2023

https://media.aws.singtel.com/info-singtel/annualreport/2023/Singtel_Annual_Report_2023_Higher_Res.pdf

Clear Targets, Timelines and Progress

Having clear targets with accompanying plans and timelines for achieving the targets matters to stakeholders, as they tangibly demonstrate the commitment of a listed issuer in relation to board diversity. Further, these targets would align with the aspects of diversity identified in the listed issuer's board diversity policy as being important and relevant to the business.

Targets set should be aspirational but also achievable.

It is important that the targets set reflect a company's ambition and the understanding of the importance of board diversity. However, investors also understand market challenges, particularly for certain sectors and required skill sets. Beyond quantitative targets, it is therefore of value to investors for a listed issuer to contextualise the targets within the environment it is operating in and the challenges that it faces and how these are being addressed.

Disclosures on progress towards achieving the targets within the timelines are equally as important in providing insight into the challenges and efforts the listed issuer is facing in achieving their targets. Of the listed issuers that have disclosed a board diversity policy, while 11% have provided statements on progress against their targets and timelines, few elaborated on the actions being taken towards progressing on their targets. Disclosures on progress were usually limited to high-level statements that steps were being taken to address specific diversity aspects, without further expanding on what those steps were. For example: "At the date of this report, the Board has three female directors, representing 60% of the board and as at end FY23, the company continues to search for suitable candidates.". For a more comprehensive disclosure, listed issuers should elaborate on the steps and actions they are taking to progress on their plans towards achieving their set targets within their timelines.

Providing more comprehensive information around progress on the specified targets and timelines would provide greater insight to stakeholders on the listed issuer's active efforts to promote board diversity.

Exemplary disclosures

- Exemplary disclosures by listed issuers included those which have presented their targets, timelines and progress in a table format that includes indicators such as "Achieved" and "In progress" to disclose their efforts and status of their board diversity targets with respect to their timelines.
- Listed issuers that have exemplary disclosures have also elaborated on their progress and steps they are taking to progress on their targets, e.g. specific director profiles that they are searching for.

- CapitaLand Investment Limited has multiple goals and targets for its board diversity and has tracked them in a table format which indicates what has been “Achieved” or “In Progress”. For targets that have been “Achieved”, it has provided explanations as to how it has achieved them. For targets that are “In Progress”, actionable steps have been highlighted to achieve the goals.
- Medinex Limited has set a diversity target of having at least 40% women on board by FY2028. It has additionally identified the steps and initiatives it will take to achieve this goal in the timeline.

Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets	Diversity Targets, Plans and Timelines	Targets Achieved/Progress Towards Achieving Targets
<p>Gender</p> <p>To have at least 2 female Directors on the Board during the period leading up to 2025.</p> <p>The Company believes in achieving an optimum mix of men and women on the Board to provide different approaches and perspectives.</p>		<p>Skills & Experience</p> <p>To ensure that the Directors, as a group, possess:</p> <p>(a) a variety of skill sets, including in core competencies, domain knowledge and other fields of expertise, such as finance, banking, real estate, fund and investment management and technology; and</p> <p>(b) a mix of industry experience, management experience, business acumen and listed company board experience, in particular on organisational development, sustainability matters and ESG matters.</p> <p>by 2025, or (if applicable) to maintain such level of diversity in skill sets and experience during the period leading up to 2025.</p> <p>The Company believes that diversity in skill sets would support the work of the Board and Board Committees and needs of the company, and that an optimal mix of experience would help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations.</p> <p>The Company continually endeavours to deepen the bench strength of the Board with complementary and relevant expertise, including in the areas of fund and investment management, organisational development, sustainability matters and ESG matters.</p>	
<p>Age</p> <p>To ensure that the Board comprises Directors across the following age groups:</p> <p>(a) 50 and below; (b) 51 to 60, and (c) 61 and above,</p> <p>and to maintain such level of age diversity during the period leading up to 2025.</p> <p>The Company believes that age diversity would provide a broad spectrum of thoughts and views in Board and Board Committee deliberations.</p>		<p>In Progress – As at the end of FY 2022, the Board comprises Directors who, as a group, possess a significant majority of the identified core skills and experience. There are opportunities to strengthen certain skill sets including fund and investment management and technology.</p> <p>In terms of skill sets, the Board comprises Directors with a variety of skills and expertise in areas including finance, banking, real estate, fund management, international capital markets and technology.</p> <p>In terms of experience, the Board comprises Directors who are corporate and business leaders and who collectively have experience in general business management, have served on public listed company boards and have international or regional experience.</p> <p>In terms of industry experience, the Directors collectively have exposure in various sectors and markets, including the venture capital industry, the China market and the international capital markets networks.</p>	
<p>Tenure</p> <p>To ensure that the Board comprises Directors across the following tenure groups:</p> <p>(a) less than 3 years; (b) 3 to 6 years; and (c) more than 6 years,</p> <p>and to maintain such level of tenure diversity during the period leading up to 2025.</p> <p>The Company believes that tenure diversity would facilitate Board renewal progressively and in an orderly manner, whilst ensuring knowledge continuity about the Company and its business operations and sustainability of corporate performance.</p>		<p>Achieved – As at the end of FY 2022, the Board comprises Directors across all 3 tenure groups.</p> <p>In particular, 3 Directors have been on the Board for less than 3 years, 5 Directors have been on the Board for 3 to 6 years and 1 Director has been on the Board for more than 6 years.²</p> <p>² This takes into account the Directors' respective tenures on the board of CL (now known as CLG), if any. As disclosed on page 158 of the Company's Introductory Document dated 17 July 2021, in view that the appointment of the relevant independent directors of CL (now known as CLG) as the Company's independent Directors was a natural transition from such directors' appointments as independent directors of CL for the purposes of compliance with Rule 2.10(6)(d)(ii) of the Listing Manual (repealed on 11 January 2023), the period served by such directors as independent directors of CL should be counted towards, and treated as part of, the cumulative period that such directors will serve as the Company's independent Directors.</p>	

Source: [Page 110 & 111 of CapitaLand Investment Limited Annual Report 2022](#)

<https://ir.capitalandinvest.com/annual-report/2022/pdf/CLI-Annual-Report-2022.pdf>

While the Company is of the view that its current Board is diverse and effective, in line with the Board Diversity Policy, the Company has set an internal target to have a representation of at least 40% women directors on its Board by FY2028. This target reflects the Group's recognition of the importance of gender diversity especially in leadership positions and the immense value it brings in driving innovation and decision-making. To achieve diversity on the Board, the Group will undertake the following initiatives:

- (a) **Broaden the candidate pool:** The Company will expand the search and recruitment process to attract a diverse range of candidates for Board positions. This will involve actively seeking candidates from different backgrounds, including those with diverse gender, age, nationalities, cultural background, educational background, experience, skills, and knowledge.
- (b) **Review the Board appointment criteria:** The Company will conduct a thorough review of its Board appointment criteria to ensure they are inclusive and unbiased. This includes examining the qualifications, experiences, and skills required for board positions to identify any potential barriers that may disproportionately affect women. By adopting more inclusive criteria, the Company will be better positioned to attract a wider range of candidates and create a more gender-diverse Board.

Source: [Page 31 of Medinex Limited Annual Report 2023](#)

<https://links.sgx.com/FileOpen/MediNex%20-%20Annual%20Report%202023.ashx?App=Announcement&FileID=765151>




8. Peer Jurisdictions

Comparison on Board Diversity Requirements

To further identify board diversity disclosure practices and what quality disclosures look like, we have explored the board diversity listing rules and disclosures of large listed issuers in other peer jurisdictions. We have included US, UK, Hong Kong, Malaysia and Australia in this analysis.

Board diversity requirements have been similarly implemented in other jurisdictions. In the US (Nasdaq), UK, Hong Kong, Malaysia and Australia, in addition to disclosure requirements, there are mandatory gender diversity requirements for listed issuers.

As diversity considerations for board appointments and reappointments gain traction, regulation may be an increasingly important lever to accelerate progress.

		
Nasdaq ¹⁰	New York Stock Exchange (NYSE) ¹¹	Financial Conduct Authority (FCA) ¹²
Year latest listing rules came into effect		
8 August 2022	Not Applicable.	1 April 2022
Listing rule on board diversity policy disclosure requirements		
<p>Annually report on Board-level diversity using standard matrix template</p> <hr/> <p>Total number of board members.</p> <hr/> <p>Self-identification on gender, race, ethnicity and LGBTQ+¹³.</p> <hr/> <p>‘Comply or explain’.</p>	<p>NYSE currently does not have in place a listing rule on board diversity, however they have a market driven approach to board diversity.</p> <hr/> <p>Board diversity initiative is through the Board Advisory Council (BAC):</p> <ul style="list-style-type: none"> ▪ Comprises CEOs who create a network of board candidates from underrepresented groups, through their own networks. ▪ Organises networking events between board candidates and listed companies. 	<p>Disclose whether company has met specific board diversity targets (see next page).</p> <hr/> <p>‘Comply or explain’.</p>

¹³ LGBTQ+ refers to lesbian, gay, bisexual, transgender, queer/questioning.

Listing rule on mandatory diversity requirements

At least one diverse director by 31 December 2023 or one to two years from date of listing.

At least two diverse directors by 6 August 2025 or 2026, where one self-identifies as female and one as underrepresented minority or LGBTQ+¹⁴.

NYSE currently does not have in place a listing rule on board diversity, however they have a market driven approach to board diversity.

Companies must disclose whether they meet board diversity targets on a 'comply or explain' basis.

At least 40% women on board.

At least one chair, chief executive officer, chief financial officer or senior independent director is a woman.

At least one member is a minority ethnic background.

Who does the listing rules apply to? ¹⁵

All operating companies listed on Nasdaq.

Not Applicable.

UK and overseas issuers with equity shares or certificates representing equity shares, admitted to the premium or standard segment of the FCA's Official List¹⁶, excluding open-ended investment companies and 'shell companies', but including: closed-ended investment funds and sovereign controlled companies.

How do the listing rules differ from SGX Listing Rules?

Diversity required for gender and minority group by 2025 or 2026 depending on companies' listing date and market tier.

There are no listing rules on board diversity policy on NYSE. The Board Advisory Council to promote candidates from underrepresented groups.

Diversity required for gender and minority ethnic background and aligns with the FTSE Women Leaders Review¹⁷ and Parker Review¹⁸ for ethnicity.

¹⁴ LGBTQ+ refers to lesbian, gay, bisexual, transgender, queer/questioning.

¹⁵ Who does the listing rules apply to: refers to the companies that are required to disclose according to the Listing Rules.

¹⁶ Under the listing rules each issuer must satisfy the requirements in the rules that are specified to apply to it and its relevant securities. In some cases a listing is described as being either a standard listing or a premium listing. A listing that is described as a standard listing sets requirements that are based on the minimum standards set out in the United Kingdom provisions which implemented Consolidated Admissions and Reporting Directive (CARD) and the Transparency Directive (TD). A listing that is described as a premium listing will include requirements that exceed those required under the United Kingdom provisions which implemented CARD and the TD.

¹⁷ The FTSE Women Leaders Review is the independent, business-led framework supported by Government which sets recommendations to improve the representation of women on the Boards and Leadership teams of the FTSE 350 and 50 of the UK's largest private companies.

¹⁸ The Parker Review is an independent framework, comprising business professionals who each bring, on a voluntary basis, a wide range of gender and ethnically diverse perspectives.



Stock Exchange of Hong Kong Limited (HKEX)¹⁹



Bursa Malaysia²⁰



Australian Securities Exchange Ltd (ASX)²¹

Year latest listing rules came into effect

1 January 2022

1 June 2022

1 January 2020

Listing rule on board diversity policy disclosure requirements

Board diversity policy or a summary of the policy.

Numerical board diversity targets and accompanying timelines.

Measures the issuer has adopted to develop a pipeline of potential candidates to achieve gender diversity.

‘Comply or explain’.

Bursa Malaysia’s diversity requirements are part of the Corporate Governance Guide, where listed issuers are required to comply as stated under Chapter 15.25²².

The Corporate Governance Guide states:

- Gender diversity policy, targets, and measures to meet those targets.
- Fit and proper policy that addresses board quality and integrity for appointment and re- election of directors.
- Disclose the application of the fit and proper policy.
- ‘Comply or explain’.

Under listing rule 4.10.3²³, ASX listed entities are required to benchmark their corporate governance practices against the ASX Corporate Governance Council’s recommendations and, where they do not conform, to disclose that fact and the reasons why. The rule effectively encourages listed entities to adopt the ASX Corporate Governance Council’s recommended practices but does not force them to do so²⁴.

The listed entity should:

- Have and disclose a diversity policy;
- Set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
- Disclose (1) measurable objectives set for that period to achieve gender diversity; (2) progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or (B) if the entity is a “relevant employer”

²² Chapter 15.25(2): In addition, the listed issuer must disclose the application of each Practice set out in the MCCG during the financial year, to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The listed issuer must state in its annual report, the designated website link or address where such disclosure may be downloaded.- Bursa Malaysia. (2023). Chapter 15 Corporate Governance [online]. Available from: https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5ce3b5ce5b711a163beae1bd/files/MAIN_Chap15_COI_Ors_Amendments_1July2023_.pdf?1688122456 [accessed 2 November 2023].

²³ Listing rule 4.10.3: Either of the following: a corporate governance statement that meets the requirements of this rule; or the URL of the page on its website where a corporate governance statement that meets the requirements of this rule is located. ASX. (2019). Chapter 4 Periodic Disclosure [online]. Available from: <https://www.asx.com.au/documents/rules/Chapter04.pdf> [accessed 2 November 2023].

under the Workplace Gender Equality Act (Act), the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

- 'Comply or explain'.

Listing rule on mandatory diversity requirements

At least one director of a different gender by 31 December 2024.

Applicants for initial public offerings (IPOs) must have a gender-diverse board from July 2022 onwards.

Bursa Malaysia's diversity requirements are part of the Corporate Governance Guide, where listed issuers are required to comply as stated under Chapter 15.25²⁵.

- At least one female board member from 1 September 2022 (for large listed companies²⁶) or 1 June 2023 (for all public listed companies).
- At least 30% women on Board for large listed companies²⁷.
- Limits tenure of an independent director to not more than a cumulative tenure of 12 years in a listed issuer and its group of corporations (for all public listed companies).

Under listing rule 4.10.3²⁸, ASX listed entities are required to benchmark their corporate governance practices against the Council's recommendations and, where they do not conform, to disclose that fact and the reasons why. The rule effectively encourages listed entities to adopt the Council's recommended practices but does not force them to do so²⁴.

- At least 30% of board representation for each gender if the entity was in the S&P/ASX 300 Index at the start of reporting period.

²⁵ Chapter 15.25(2): In addition, the listed issuer must disclose the application of each Practice set out in the Malaysia Code on Corporate Governance (MCCG) during the financial year, to the Exchange in a prescribed format and announce the same together with the announcement of the annual report. The listed issuer must state in its annual report, the designated website link or address where such disclosure may be downloaded.- Bursa Malaysia. (2023). Chapter 15 Corporate Governance [online]. Available from: https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/content_entry5ce3b50239fba2627b2864be/5ce3b5ce-5b711a163beae1bd/files/MAIN_Chap15_COI_Ors_Amendments_1July2023_.pdf?1688122456 [accessed 2 November 2023].

²⁶ Large listed issuers refers to listed issuers with a market cap of RM2 billion as at 31 December 2021.

²⁷ Companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2billion and above.

²⁸ Listing rule 4.10.3: Either of the following: a corporate governance statement that meets the requirements of this rule; or the URL of the page on its website where a corporate governance statement that meets the requirements of this rule is located. ASX. (2019). Chapter 4 Periodic Disclosure [online]. Available from: <https://www.asx.com.au/documents/rules/Chapter04.pdf> [accessed 2 November 2023].

Who does the listing rules apply to? ³⁰

Mainboard and GEM listed issuers.

All public listed issuers (see above for details).

S&P/ASX 300 listed issuers.

How do the listing rules differ from SGX Listing Rules?

Diversity is required for gender by 2024, further no single-gender boards are allowed to go for IPO. Listed issuers are also required to identify the measures to develop a pipeline of potential candidates for gender diversity.

Diversity is required for gender by 2023 and there are limits to the tenure of an independent director.

Diversity is required for gender if the listed issuer is in the S&P/ASX 300 Index.

³⁰ Who does the listing rules apply to: refers to the companies that are required to disclose according to the listing rules.

Best and Common Practices in Various Jurisdictions

Board diversity requirements in US (Nasdaq) and UK were implemented in 2022. As these jurisdictions have mandatory diversity requirements for their boards, many of the listed issuers in these jurisdictions tend to report more diverse boards with quality and comprehensive disclosures. The NYSE Board Advisory Council was formed in 2019 to address the critical need for diverse, inclusive leadership on public and private company boards and has also seen the successful nomination of candidates from their network since.

The following identifies and highlights the best and common practices of board diversity disclosures by the largest listed issuers in the respective stock exchanges identified earlier. For each of the peer jurisdictions, approximately six large listed issuers' board diversity disclosures were analysed in each of the respective jurisdictions.



United States of America

Common Practices of Board Diversity Disclosures

- **Board diversity disclosures:** Large listed companies in US have complied closely with the listing rules set out by the regulators where they have reported on the board-level diversity and included the necessary information of the directors on their gender, race, ethnicity, and sexual orientation.
- **Board considerations:** Companies have included aspects such as sexual orientation, ethnicity, and length of service into their board diversity policy.
- **Presentation:** Companies have also made use of illustrations such as tables and pie charts to provide clear insights into board diversity.



Diversity is among the critical factors that the Nomination, Governance and Public Affairs Committee considers when evaluating the composition of the Board. For a Company like Citi, which operates in more than 100 countries around the globe, diversity includes race, ethnicity, nationality, and gender as well as the diversity of the communities and geographies in which Citi operates.

Source: [Page 28 of Citigroup 2023 Notice of Annual Meeting and Proxy Statement](https://www.citigroup.com/rcs/citigpa/storage/public/Citi-2023-proxy-statement.pdf)

<https://www.citigroup.com/rcs/citigpa/storage/public/Citi-2023-proxy-statement.pdf>



United Kingdom

Common Practices of Board Diversity Disclosures

- **At least 40% women:** As the regulations require at least 40% women on the board, many large listed companies in UK have abided and complied with this listing rule to include women to reach at least 40% of their board.
- **Ethnic minority:** Large listed companies have either already included at least one ethnic minority into their board or have set targets to include them.
- **Professional search firm:** Some large companies have also committed to using at least one professional search firm to help recruit directors from a diverse pool of candidates.
- **Presentation:** Similar to the large listed companies in US, companies in UK have included graphs and charts such as a skills matrix, pie charts, and bar charts to provide easy readability.

Skills matrix

	Background and experience							
	Energy markets	Operational excellence and risk management	Global business leadership and governance	Technology, digital and innovation	Climate change and sustainability	People leadership and organizational transformation	Society, politics and geopolitics	Finance, risk and trading
Non-executive directors								
Amanda Blanc			●	●	●	●	●	●
Pamela Daley			●					●
Helge Lund	●	●	●		●	●	●	
Melody Meyer	●	●	●		●			
Tushar Morzaria		●	●			●		●
Hina Nagarajan		●	●	●	●	●		
Satish Pai	●	●	●	●	●	●		
Paula Reynolds	●	●		●		●		●
Karen Richardson		●	●	●		●		●
Sir John Sawers						●	●	
Johannes Teyssen	●	●	●		●	●	●	

Source: [Page 100 of BP Annual Report 2022](#)

<https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/investors/bp-annual-report-and-form-20f-2022.pdf>



Australia

Common Practices of Board Diversity Disclosures

- **At least 30% women:** As per the listing rules, the large listed companies in Australia have more than 30% women on the board.
- **Board considerations:** Many of the large companies have provided insights into how the directors' skills and experiences have been obtained such as through management experience, previous working experiences, or tertiary education.
- **Presentation:** Similar to the large listed companies in US, companies in Australia have included graphs and charts such as a skills matrix, pie charts, and bar charts to provide easy readability.



The Board's objective is for the Board and the boards of all key operating subsidiaries to maintain at least 40% female membership, 40% male membership and 20% of any gender that holds the relevant skills and experience. As at 30 June 2023, there was 50% female representation on the Board.

Source: Page 12 of Commonwealth Bank of Australia Corporate Governance Statement 2023

https://www.commbank.com.au/content/dam/commbank-assets/investors/docs/CBA_CorpGov_2023.pdf



Hong Kong

Common Practices of Board Diversity Disclosures

- **At least one female director:** Large companies in Hong Kong have more than one female director and have targets of realising at least 20% female board representation.
- **Professional firm search:** Many companies have plans to engage external search firms to assist in the sourcing and identification of appropriate candidates.
- **Board considerations:** Companies have considered other aspects of diversity such as age and tenure.
- **Presentation:** Similar to the large companies in US, companies in Hong Kong have included graphs and charts such as diversity mix, pie charts, and bar charts to provide easy readability. Some have also included disclosures in more than one language (English and Chinese).



A broad spectrum of connections and intelligence across multiple commercial fields. Together contribute to high standards of corporate governance and stakeholders' interests. A balanced mix of age group and board tenure. Gender balance with at least 3 female directors as an immediate target and minimum 20% representation by 2025. This target will be reviewed on an annual basis by the Board and the Nomination Committee.

Source: Page 100 of Chow Tai Fook Annual Report 2023

https://ir.ctfjewellerygroup.com/ar2023_en.pdf



Malaysia

Common Practices of Board Diversity Disclosures

- **At least 30% women:** Large companies in Malaysia have at least 30% female board representation.
- **Board considerations:** Companies have considered more than one aspect of diversity such as age, nationality, and length of service.
- **Presentation:** Similar to the large listed companies in the US, companies in Malaysia have included graphs and charts such as skills matrix, pie charts, and bar charts to provide easy readability.



Age diversity – acknowledges the benefits of having a diverse boardroom in terms of age demographics with experience and maturity as well as youthful exuberance and seek to eliminate age stereotyping or discrimination on age. Further, age limit of Directors set at 80 years old; Ethnic diversity – setting a long-term target for the Board's ethnicity composition to reflect the ethnicity stratifications in the country.

Source: Page 118 of Duopharma Biotech Berhad Annual Report 2022

https://www.insage.com.my/Upload/Docs/DPHARMA/DBB_IAR2022.pdf

In reviewing the peer jurisdictions and the disclosures of the listed issuers in these jurisdictions, we have found that listed issuers in jurisdictions such as US, UK and Australia have more comprehensive disclosures compared to Singapore's listed issuers. This may be a result of several factors, in particular having more prescriptive, stringent and specific requirements (e.g. diversity quotas) compared to SGX. As such, disclosures of overseas listed issuers have included more ambitious targets and comprehensive disclosures such as disclosing skills matrices.

Board diversity is a factor shareholders are paying much attention to.

For Singapore listed-issuers to continue to attract global investments and ensure regional and global competitiveness, it is imperative that they improve upon their board diversity practices and consequently, their disclosures.

Listed issuers may also consider actively engaging with current and prospective investors to understand their expectations on board diversity.

9. In Conclusion

This study aims to understand the state and quality of board diversity disclosures of listed issuers in Singapore. We analysed the performance of the Top 100 listed issuers by market capitalisation in this regard and highlighted exemplary disclosures in an effort to encourage listed issuers on their board diversity journeys.

The disclosures made by listed issuers reveal that a large majority recognise the importance of diverse boards and the value that diversity in thinking, skills, and experience can bring to achieving business goals. Listed issuers have made a strong start in developing and disclosing their board diversity policies. As they mature in their implementation of their board diversity policies, it is anticipated that further clarity on diversity targets, plans, and progress within specified timelines will be provided in future reports.

Consultation with our Advisory Body revealed a resounding emphasis on quality of disclosures that go beyond compliance with the Listing Rules. Investors recognise the value a diverse board brings to a company when carefully considered against business needs and plans. They are therefore keen to understand the approach that boards and nominating committees have taken in establishing the board diversity policy and respective targets to achieve diversity on their boards.

As such, this study highlights three key areas that listed issuers can start to focus on in upcoming reporting cycles:

1

Board diversity disclosures should be contextualised to the business strategy and needs, which includes presenting the rationale behind the aspects of diversity included in the board diversity policy.

2

Having more transparency and effective communication of the listed issuers' existing board make-up through a skills matrix, tying back to the areas of focus within the board diversity policy will be beneficial for the listed issuer. Furthermore, listed issuers should disclose the proactive steps being taken to address gaps in the board mix.

3

The ambitions of the board diversity policy should be made concrete through clear targets, plans, and timelines, as well as the communication of year-on-year progress made towards achieving these goals. The setting of plans and timelines are closely linked to targets, and should be carried out sooner rather than later in order to enable progress towards better board diversity. Doing so makes a listed issuer's commitments more tangible and demonstrates to investors and stakeholders that board diversity is being taken seriously. In addition, the expectations of investors should be considered as a signal for even further acceleration in these areas.

Globally, the benefits of board diversity are increasingly acknowledged and regulatory requirements continue to develop in this area. It is recognised that a diverse board not only aids in providing wide-ranging perspectives and fostering constructive debate, but also enables a company to better adapt to unexpected shifts in an increasingly interconnected market.

With global investors also calling for enhanced board diversity practices, Singapore's listed issuers should take stock and compose their boards to the changing demands of organisational needs, and in so doing, demonstrate their commitment to exemplifying diversity as a core value of the company.

10. Appendix

The sectoral breakdown (on pages 22-25) was determined using The Refinitiv Business Classification (TRBC) and categorised based on their TRBC Economic Sector. More details on SGX-listed issuers' categorisation based on TRBC Business Sector can be found on SGX's Stock Screener webpage³⁰. The table below maps TRBC Business Sectors against their respective TRBC Economic Sector according to TRBC methodology.

TRBC Economic Sector	TRBC Business Sector
Energy	Energy - Fossil Fuels Renewable Energy Uranium
Basic Materials	Chemicals Mineral Resources Applied Resources
Consumer Cyclical	Automobiles & Auto Parts Cyclical Consumer Products Cyclical Consumer Services Retailers
Consumer Non-Cyclical	Food & Beverages Food & Drug Retailing Personal & Household Products & Services Consumer Goods Conglomerates
Financials	Banking & Investment Services Insurance Collective Investments Investment Holding Companies
Healthcare	Healthcare Services Pharmaceuticals & Medical Research
Industrials	Industrial Goods Industrial & Commercial Services Transportation
Technology	Technology Equipment Software & IT Services Financial Technology (Fintech) & Infrastructure Telecommunications Services
Utilities	Utilities
Real Estate	Real Estate
Academic & Educational Services	Academic & Educational Services

³⁰ SGX Investor Portal. Available at: <https://investors.sgx.com/stock-screener> (Accessed: 09 November 2023).

11. Endnotes

¹⁰ Nasdaq. (2023). Nasdaq's Board Diversity Rule: What Companies Should Know [online]. Available from: <https://listingcenter.nasdaq.com/assets/Board%20Diversity%20Disclosure%20Five%20Things.pdf> [accessed 1 November 2023].; Nasdaq. (2023). Board Diversity Matrix Disclosure Requirements and Examples [online]. Available from: https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf [accessed 1 November 2023].

¹¹ King, E. (2022). The Importance of the NYSE's Market-Driven Approach to Board Diversity [online]. Available from: <https://www.nyse.com/boardadvisory/the-importance-of-the-nyse-s-market-driven-approach-to-board-diversity> [accessed 1 November 2023].

¹² Financial Conduct Authority. (2022). Diversity and inclusion on company boards and executive management [online]. Available from: <https://www.fca.org.uk/publication/policy/ps22-3.pdf> [accessed 1 November 2023].

¹⁹ HKEX. (2021). Exchange Publishes Conclusions on Review of Corporate Governance Code [online]. Available from: https://www.hkex.com.hk/News/Regulatory-Announcements/2021/211210news?sc_lang=en [accessed 1 November 2023].; HKEX. (2022). Exchange Launches Board Diversity Repository and Enhances ESG Academy [online]. Available from: https://www.hkex.com.hk/News/Regulatory-Announcements/2022/220429news?sc_lang=en [accessed 1 November 2023].; HKEX. (n.d.). Rules and Guidances [online]. Available from: <https://en-rules.hkex.com.hk/rulebook/1392> [accessed 1 November 2023].

²⁰ Bursa Malaysia. (n.d.). Corporate Governance: Moving from Aspiration to Actualisation [online]. Available from: https://www.bursamalaysia.com/sites/5bb54be15f36ca0af339077a/assets/5bb54d165f36ca0c341f0065/Pull-out_I.PDF [accessed 1 November 2023]. ; Bursa Malaysia. (2022). Bursa Malaysia Strengthens Board Effectiveness Through Enhancements to the Main and Ace Market Listing Requirements [online]. Available from: https://www.bursamalaysia.com/bm/about_bursa/media_centre/bursa-malaysia-strengthens-board-effectiveness-through-enhancements-to-the-main-and-ace-market-listing-requirements [accessed 1 November 2023].

²¹ ASX Corporate Governance Council. (2019). Corporate Governance Principles and Recommendations 4th Edition [online]. Available from: <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf> [accessed 1 November 2023].

²⁴ ASX. (n.d.). ASX Corporate Governance Council [online]. Available from: <https://www.asx.com.au/about/regulation/asx-corporate-governance-council> [accessed 2 November 2023].

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