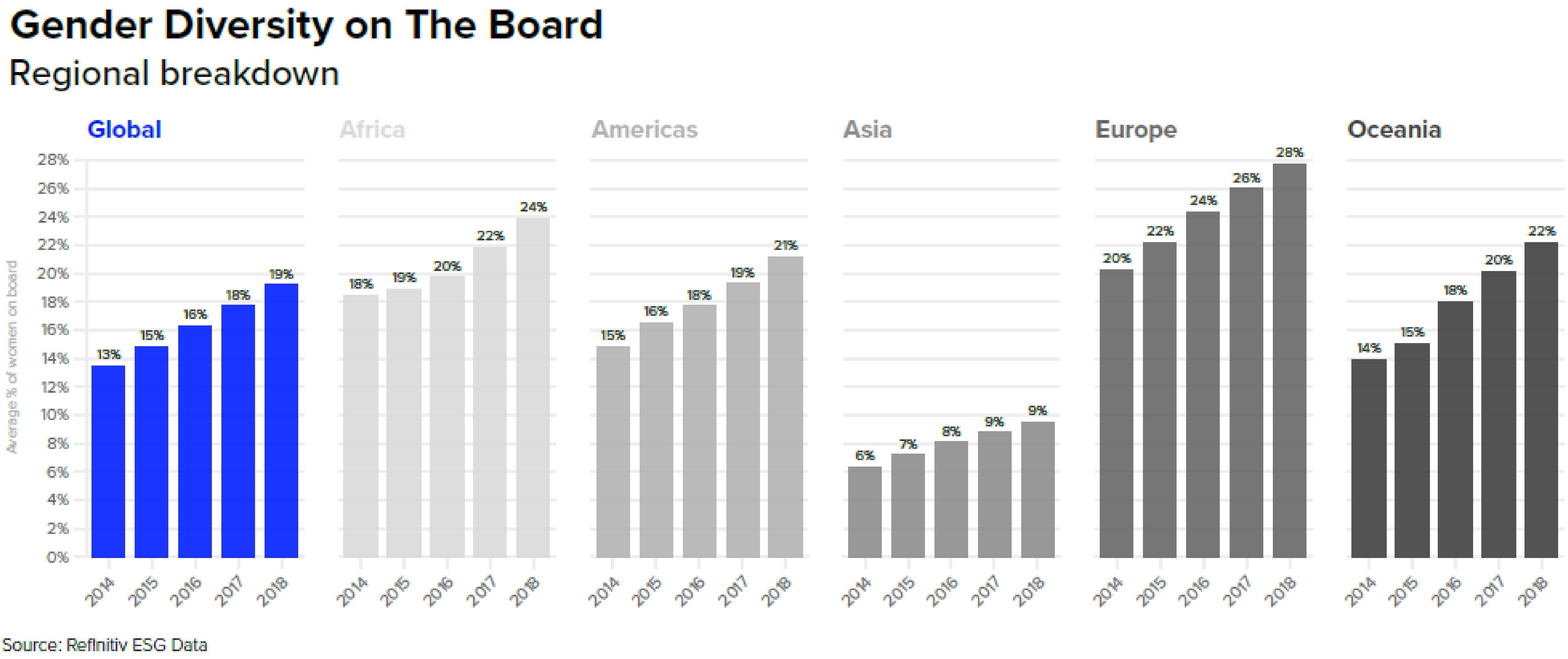
ASIAN CORPORATE GOVERNANCE ASSOCIATION

PRESENTATION TO FT WOMEN IN BUSINESS ASIA FORUM
"GENDER PARITY – GETTING MALE COLLEAGUES ON BOARD"
16 SEPTEMBER 2021

The regional state of play to 2018*



*With thanks to Ka Shi Lau, BCT, Hong Kong

Market averages 2018/2019

Average percentage of women directors in selected markets in Asia

Region	Approx. % (rounded to whole number)
China	13%
Hong Kong	14%
Indonesia	15%
Japan	4%
Korea	3%
Malaysia	14-16%
Philippines	13%
Singapore	12%
Thailand	20%
Vietnam	15%

Compiled by ACGA
Sources:
All China/ASEAN figures - "Board Gender Diversity in Asean", an Economist Intelligence Unit (EIU) report, commissioned by International Finance Corporation (IFC), June 2019
Other figures - The Women's Foundation, Hong Kong; Securities Commission, Malaysia; Tokyo Stock Exchange; and the Korea Corporate Governance Service

Policy issues – Selected markets

1. **Corporate Governance (CG) Codes**: an increasing focus on board and gender diversity, but this is not sufficient to drive significant change in gender diversity on its own.
2. **Quotas/mandatory minimums:** Deeply unpopular among listed companies (ie, men!) in most parts of Asia. No market mandates quotas, but:
   - ➢ **India** required all listed companies to have one female independent director by April 2020.
   - ➢ **Korea** will require all large listed companies to have at least one female director from August 2022 (however many firms started the change from March 2020).
3. **Hard targets:**
   - ➢ **Australia** encourages a minimum 30% target for ASX300 companies in its CG code.
   - ➢ **Malaysia** encouraged a minimum 30% target for "large companies" in 2017 and extended this to all listed companies in April 2021.
   - ➢ **Singapore's** Council for Board Diversity set a 30% target in 2019.
4. **Soft targets:**
   - ➢ **Hong Kong*, Japan** encourage companies to appoint more women to boards and ask companies to set, measure and report on their own targets. Other markets do too.

*__Hong Kong__ is likely to ban single-gender boards under proposed listing rule changes. Companies will have a three-year grace period. IPOs will "not expected to have single gender boards."

The good news – Movement at the top end

While market averages make for depressing reading, the story among listed large caps is starting to look better:

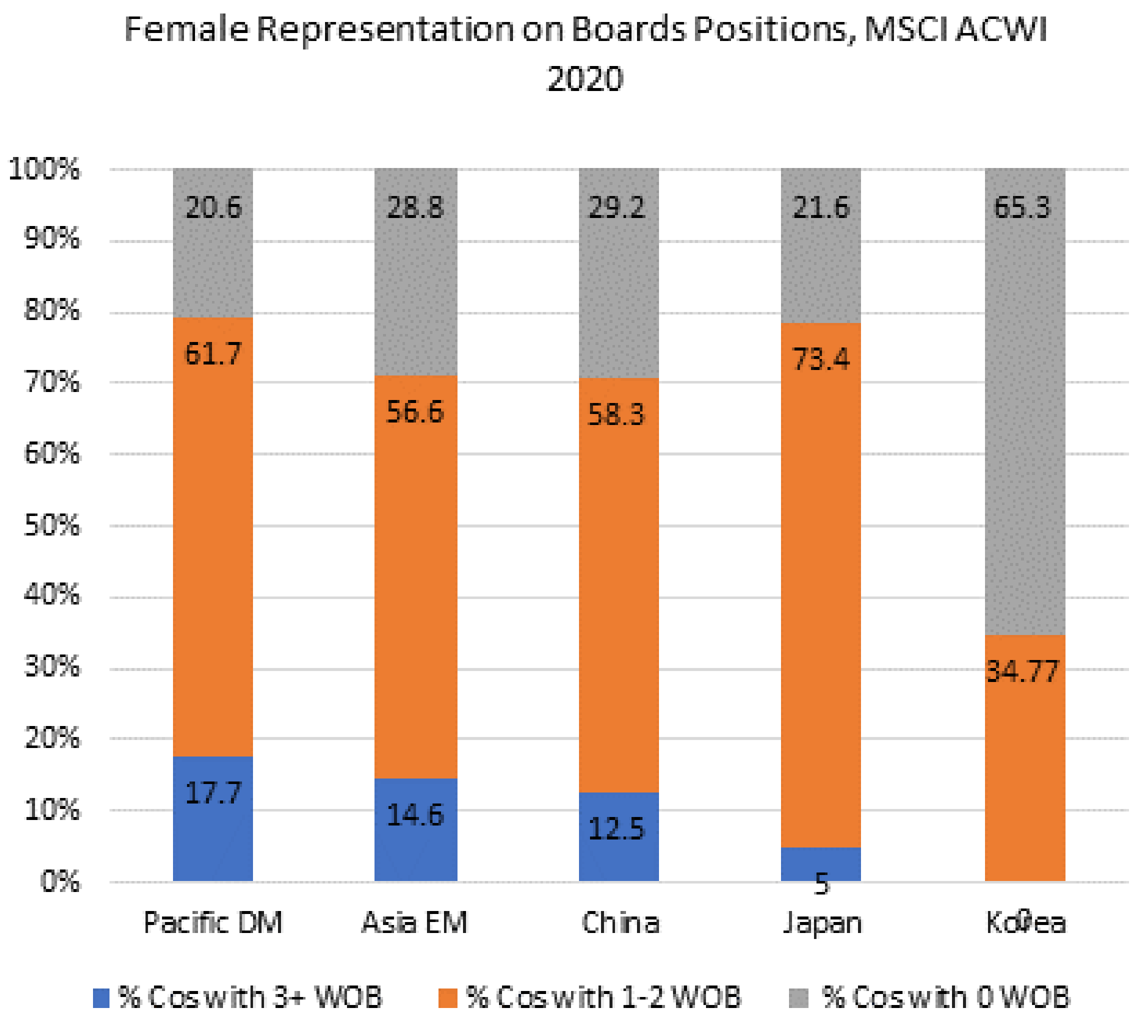
- **Japan**: Only seven of the Topix 100 firms have no women directors on their boards today. The number drops to three if “Kansayaku” (statutory auditor) boards are included as well.*
- **Korea**: During the March 2020 AGM season—a few months before the ban on single-gender boards took legal effect—the number of large firms with at least one female director almost doubled, from 24 to 45. (This still left 102 companies with none.)
- **Malaysia**: As of end-2020, almost 25% of all directors in the top 100 firms were women. (Against a market average of 17%.)
  - 165 companies had achieved the 30% target, accounting for almost 18% of all issuers.
- **Singapore**: The top 100 companies achieved an 18% ratio by end-June 2021.

And investors are starting to use their voting power:

- ACGA Japan Working Group members typically vote against companies in Japan without at least one female director; some have increased this to two. They also engage with companies and explain their policies.

  (Note: At the global level, the threshold is typically 30%.)

*With thanks to Kaoru Kobu, Invesco Japan, drawing on data from IR Japan.



*With thanks to Flora Wang, Fidelity

Women on boards, MSCI ACWI, 2020*