

HKEx listed companies told to woo women directors

Stock exchange pushes for board diversity in companies after strong support from market

Friday, 14 December, 2012, 12:00am. South China Morning Post
Enoch Yiu enoch.yiu@scmp.com



Su-Mei Thompson

The stock exchange will require all listed companies to have policies to encourage more **women** and people of different ages and knowledge to join their boards from September next year.

Hong Kong Exchanges and Clearing said a two-month consultation elicited strong support for its proposal for boards of listed firms to have a more diverse composition. It has decided to add the requirement to the corporate governance code.

After that is done, each company must have a policy to ensure a more balanced **board** of directors, otherwise it would need to provide an explanation in its corporate governance report.

The exchange said it received 139 submissions from listed companies, professional bodies, institutional investors and individuals.

"We note the overwhelming market support for the exchange to promote **board diversity** and to introduce measures in the code," said Mark Dickens, **HKEx's** head of listing. "The disclosure, or the explanation, is aimed at securing sufficient information so investors and stakeholders can understand the company's performance and governance practices, and act accordingly."

The **HKEx** called for listed companies to have more diverse representation on their boards, noting that, at present, they were mostly composed of middle-aged men with too few **women** represented.

In its consultation paper, the **HKEx** said only 10.3 per cent of **board** members were **women**, lagging behind Britain at 17 per cent and Norway at 40 per cent.

In Hong Kong, 40 per cent of listed companies, including **HKEx** itself, have no female directors on their boards.

By contrast, in Britain, only 8 per cent of companies have all-male boards.

In addition, 67 per cent of directors at Hong Kong-listed companies are aged between 41 and 60, and only 10 per cent are below 40 years old.

"While we are disappointed that the new code provision does not explicitly mention gender diversity, the new regulatory requirement is undoubtedly a step in the right direction," said **Su-Mei Thompson**, the chief executive of **the Women's Foundation**.

"Given the abundant talent pool of qualified and talented **women** in Hong Kong, we believe Hong Kong is well-positioned to become a regional leader in the representation of **women on boards**."