

NEWS/BUSINESS/FINANCE/LIFESTYLE EDITORS  
[For Immediate Release]

**Top public companies increase women on their boards by a disappointing 1.4 percentage points**  
**#PressforProgress: Hong Kong must accelerate progress or risk being left behind**



**HONG KONG, 6 March 2018** – The representation of women on the boards of Hong Kong’s leading companies made a nominal 1.4 percentage point increase in the past year, according to the latest [Women on Boards Hong Kong Report](#) released today by [Community Business](#), a leading not-for-profit organisation advancing responsible and inclusive business practices in Asia.

The latest edition of Community Business’ industry-leading annual research reviewed Hong Kong companies on the Hang Seng Index (HSI) as of 2 January 2018 and found that women represented on HSI boards increased to 13.8% from last year’s 12.4%, with a net increment of nine female directors in the past year.

For the first time, 15 (29.4%) out of 51 HSI companies have reached 20% or more female representation on their boards, while the number of all-male boards has marginally dropped from 11 to 10. The number of all-male boards which have never had any female directors has also reduced slightly from four to three. Despite these improvements, overall progress remains extremely slow. Reflecting on the pace of change over the last nine years, there has been a paltry increase of only 4.9% – from 8.9% in 2009 to 13.8% in 2018. Globally, Hong Kong lags far behind other markets, and the gap continues to widen. For Hong Kong to maintain its position as a major global financial centre, it must accelerate the gender diversity of its boards.

The report contains the Women on Boards League Table showing the ranking of all 51 HSI constituent companies. Leading as the top ranked company is China Shenhua Energy Co. Ltd. with 42.9% women on its board, followed by Link Real Estate Investment Trust (33.3%), Hang Seng Bank Ltd. (31.3%), China Resources Power Holdings Co. Ltd. (30.0%), and HSBC Holdings PLC (29.4%).

A deeper analysis of the latest trends yields some positive findings: The rate of new board appointments to women increased from 11.3% (9 of a total 80 appointments) reported in 2017 to 18.7% (17 out of 91 appointments) - an all-time high in a one-year period. Out of 51 HSI constituent companies, 10 appointed female directors during the last year. Analysis of female executive directorships is a good indicator of the pipeline of female leadership, which also shows a positive trend: Of 51 HSI companies, there are now 19 companies with female Executive Directors, increasing from 15 in 2017 and in total there are now 25 female Executive Directors on the HSI. However, amongst all 51 HSI companies, there

is only one with a female CEO – Hang Seng Bank Ltd. This compares unfavourably with the US (5.2%)<sup>1</sup> and the UK (7.0%).<sup>2</sup>

*“For real progress to be made, there must be concerted and sustained effort by all stakeholders, including regulators, executive search firms, investors, professional and advocacy organisations, chambers of commerce, and the media. However, it is our firm belief at Community Business that real progress needs to be driven by business, for business,”* said [Fern Ngai, CEO of Community Business](#). *“Companies themselves - their chairpersons, nomination committees, senior leaders, HR directors – must lead the charge with the recognition that gender diversity at board level and within their organisation is an important business imperative that will benefit their business now and in the future.”*

The 2018 research included a deeper regional comparison to benchmark Hong Kong within the Asian market. In the last year, we have observed accelerated progress in the region, notably Singapore moving up from 10.9% to 13.1% in a single year without a mandated quota.<sup>3</sup> Significant progress has also been made by Malaysia and India, where government quotas are in place to increase the number of women represented on listed boards. From 2015 to 2017, Malaysia increased the number of women on its boards at a rate of 36.4% and now has 19.1% women, the highest amongst Asian markets.<sup>4 5</sup> From 2015 to 2017, India increased at a rate of 20.9% and as of March 2017 is at 13.3%.<sup>6 7</sup> Hong Kong’s progress over the last 2 years has been 24.3%.

Hong Kong’s slow trajectory stands in stark comparison among global counterparts. The United Kingdom increased female representation on FTSE100 boards to 27.7% in October 2017<sup>8</sup> and is now voluntarily targeting 33% by 2020. Other markets with representation of women on their boards exceeding 20% include Australia, Canada, the United States, and Norway.

In October 2016, the 30% Club Hong Kong set voluntary aspirational targets of 20% women on HSI boards by 2020, working towards a long-term goal of 30% and to bring the number of all-male HSI boards to zero by end of 2018. If Hong Kong continues at its current pace, it will take another 5 years to reach 20% women and 26 years to reach parity. If Hong Kong is to achieve 20% by end 2020, there must be stronger momentum – with an additional 40 women appointed in the next 3 years. There are notably still 10 companies on the HSI with all-male boards and all need to appoint a female director this year to achieve the 30% Club’s target.

*“As an important global financial centre with high standards of corporate governance and a favourable business environment, Hong Kong risks losing its competitive edge with its continued complacency on this issue. Other jurisdictions are making significant progress, including regional counterparts. Singapore*

<sup>1</sup> Catalyst (February 2018). *“Pyramid: Women in S&P 500 Companies”*. Retrieved from: [www.catalyst.org/knowledge/women-sp-500-companies](http://www.catalyst.org/knowledge/women-sp-500-companies)

<sup>2</sup> FTSE Russell (2017). *“Cherchez la femme: FTSE 100 gains seventh female CEO”*. Retrieved from: <http://www.ftserussell.com/blog/cherchez-la-femme-ftse-100-gains-seventh-female-ceo>

<sup>3</sup> Diversity Action Committee Singapore (2018). *“Women Directors Increase to 13.1% on Boards of Top 100 Companies in 2017”*

<sup>4</sup> New Straits Times (2015). *“Advocating Gender Parity”*. Retrieved from: <https://www.nst.com.my/news/2016/12/194861/advocating-gender-parity>

<sup>5</sup> New Straits Times (2017). *“30% Club Malaysia steps up efforts to improve gender diversity on boards”*. Retrieved from: <https://www.nst.com.my/business/2017/12/315961/30-club-malaysia-steps-efforts-improve-gender-diversity-boards>

<sup>6</sup> Bloomberg Quint (2017). *“60 Percent of Women Directors in NSE 500 Companies Independent”*. Retrieved from: <https://www.bloomberquint.com/business/2017/05/28/60-percent-of-women-directors-in-nse-500-companies-independent-study>

<sup>7</sup> Institutional Investor Advisory Services; PRIME Database Group; Women on Corporate Boards Mentorship Program (2017). *“Corporate India: Women on Boards”*.

<sup>8</sup> Cranfield University (2017). *“The Female FTSE Board Report 2017”*.

*and India look well placed to overtake Hong Kong very soon. This should ring alarm bells for Hong Kong's business community as companies ignore this important issue at their peril,"* said Fern Ngai.

### **Key Findings – The Positive Side**

- The representation of women on HSI boards continues on an upward trend - from 8.9% in 2009 to 13.8% in 2018, a difference of 4.9% in 9 years. Out of a total of 632 directorships on the HSI, 87 are held by women.
- There has been a further decline in all-male boards from 11 to 10 in the last year.
- The rate of board appointments to women increased significantly to 18.7% (17 out of 91 appointments) in the last year compared to the previous period when only 9 women (11.3%) were appointed. This was the largest number of female appointments made in a one-year period since our research started in 2009.
- 15 companies now have 20% or more women on their boards, an increase from 10 in 2017.
- The pipeline of women continues to improve, with 25 executive directorships in 2018, up from 19 in 2017. The number of HSI companies with female Executive Directors increased from 15 in 2017 to 19 in 2018.

### **Key Findings – The Negative Side**

- Progress is being driven by a few companies. Excluding the 5 new HSI constituents, there has been no improvement in the gender diversity of the majority of boards (34 out of 46 companies, or 73.9%) in the last year. For the 12 companies which saw an increase in the percentage of women on their boards, only 7 actually appointed more female directors, while the other 5 reduced the size of their board resulting in a higher percentage of female directors.
- The number of all-male boards has declined at a slower rate in the last year, and there are still 10 HSI all-male boards remaining, of which three have not appointed a single woman since inception. The target of zero all-male boards by end 2018 will not be achieved unless all 10 companies appoint a female director in 2018.
- There continues to be a glaring absence of female CEO's on HSI companies. Only one HSI company has a female CEO.
- Hong Kong continues to track significantly lower than other global financial centres, and appears to be losing traction in Asia. Malaysia leads with 19.1% women on its boards, although this figure falls short of its quota of 30%. Singapore, which does not have a mandated quota, is currently at 13.1% and looks positioned to overtake Hong Kong in the coming year. India, which has a quota of at least one female director on a listed board, is close at 13.3%.

The complete ***Women on Boards Hong Kong 2018*** report has been published in English and is available for download on the Community Business website at [www.communitybusiness.org](http://www.communitybusiness.org).

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## About Community Business

Community Business is a not-for-profit organisation (Hong Kong Charity Number 91/6560) whose mission is to lead, inspire and support businesses to have a positive impact on people and communities. A recognised leader in advancing responsible and inclusive business practices in Asia, Community Business facilitates networks, conducts research and events, leads programmes and campaigns and provides training and consultancy. Our focus on responsible business is aligned to 5 mission-led themes:

- Building responsible leadership
- Investing in local communities
- Tackling workplace inequality
- Ensuring employee wellbeing
- Promoting social inclusion

Founded in 2003 and based in Hong Kong with a presence in India and the United Kingdom, Community Business works with companies of all sizes and from diverse industries across Asia, harnessing the power of business to drive social change. For more information, please visit [www.communitybusiness.org](http://www.communitybusiness.org).

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