

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

Progress in Representation of Women on Hong Kong Boards Remains Slow
Top public companies increase women on boards by a disappointing 1.3 percentage points



HONG KONG, 7 March 2017 – The representation of women on the boards of Hong Kong’s leading companies made a nominal 1.3 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 promoting responsible and inclusive business practices and a thought leader on diversity and inclusion in Asia.

The latest study of its industry-leading annual research, created in partnership with [Heidrick & Struggles](#) (Nasdaq: HSII), a premier provider of executive search, leadership consulting and culture shaping worldwide, reviewed Hong Kong’s leading companies on the Hang Seng Index (HSI) and found that women represented on boards increased to 12.4% from last year’s 11.1%, with the addition of seven female directors in the past year. These new directorships were mainly driven by two companies which were added to the HSI list this year.

For the first time, one-fifth of the HSI companies have reached 20% or more female directorships while the number of all-male boards has dropped from 16 to 11. The number of all-male boards which have never had any female directors has now reduced from seven to four. Despite these improvements, progress remains very slow from the initial finding of 8.9% in 2009, an increase of only 3.5% in eight years. Hong Kong lags behind global counterparts, which are continuing to gain momentum.

“Despite the importance of gender diversity at board level, progress has been slow in Hong Kong and Asia Pacific compared to other regions. Two ongoing issues are whether capable female leaders are being promoted to board positions, and whether there is a big enough pool of senior female leaders who are truly board-ready, especially in certain industries where pipelines for women in leadership are still thin,” said [Steve Mullinjer, Regional Leader of Heidrick & Struggles, Asia Pacific](#). “We recognise that boards with a good mix of nationalities, age groups, gender and cultural backgrounds, as well as skills and experience, can lead to better decision making and improve a company’s bottom line. Our

observations show that capable Asian women are in fact taking up directorships on international boards, providing unique Asian perspectives to support organisations' global strategies."

Analysis of the latest findings of women on the HSI boards as at 2 January 2017 provides a mixed picture. The rate of new appointments to women is failing to accelerate – only nine or 11.3% of 80 new board appointments were made to women in the past year. The rate of female Executive Directors continues to stall yet the number of women holding multiple directorships has risen to an all-time high. While the data has shown signs of improvement, progress is driven primarily by the actions of a few companies.

"Board diversity may still struggle to make it onto the agenda for much of the business community in Hong Kong. However, it is a very important business case that leaders simply cannot ignore," said [Fern Ngai, CEO of Community Business](#). "We urge all companies in Hong Kong to develop a strategy for increasing gender diversity on their boards, including setting a voluntary target, measuring progress, and ensuring that female candidates are being considered for every board vacancy. In addition, it is important for companies to develop a sustainable pipeline of female talent who could advance to senior executive and board roles."

This is the first time the research was expanded to include an analysis of the performance of individual companies over a five-year span to ascertain whether they have truly been making a concerted effort to increase the gender diversity of their boards. Among the HSI companies, excluding the new entrants in the last year, four have visibly shown consistency in the representation of women on their boards, as well as demonstrating commitment in creating an enabling workplace environment to support the advancement of women.

Hong Kong's slow progress does not compare favorably with global counterparts such as the United Kingdom, which has tripled its female representation on FTSE100 boards since 2009 to 26.8%, and is now voluntarily targeting 33% by 2020. Within the Asia region, Hong Kong has been overtaken by Malaysia which has increased its representation of female directors from 9.7% to 14.6% in just four years, although this is still short of Malaysia's mandated quota of 30% by end 2016. In October 2016, the 30% Club Hong Kong launched a campaign to bring the number of all-male HSI company boards to zero by 2018 and to increase the percentage of women directors on HSI company boards to 20% by 2020, working toward a long-term goal of 30%.

"We applaud the collective efforts of Hong Kong Exchanges and Clearing, the 30% Club Hong Kong, leading executive search firms and the media in continuing to work with us in promoting greater gender diversity in the boardroom. We hope that our continued joint efforts will lead to a positive change in mindsets, attitudes and ultimately behaviors and actions", said Fern Ngai.

Key Findings of the Report:

- Improvement in the representation of women on HSI boards has been painstakingly slow - from 8.9% in 2009 to 12.4% in 2017, a difference of only 3.5% in 8 years.
- Over two-thirds of HSI companies have shown no improvement in the last year.
- There has been no change in the number of female directors on the boards of the top 10 performing companies since last year.
- One-fifth of HSI companies have achieved 20% or higher female representation on their boards.
- There has been a decline in the number of all-male HSI boards from 16 to 11, as well as the number of HSI boards which have never had female directors from seven to four.
- In reviewing individual company performance on a five-year horizon, only four HSI companies have visibly shown ongoing commitment to increasing the gender diversity of their boards and to supporting the advancement of women within their organisations.

The complete ***Women on Boards Hong Kong 2017*** report has been published in English and Chinese and is available for download on the Community Business website at <http://www.communitybusiness.org/library/publications.htm>.

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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 promoting responsible and inclusive business practices in Asia, Community Business conducts research, facilitates networks and events, leads campaigns and provides consultancy and training. Our focus on responsible business is aligned to 5 mission-led themes:

- Investing in and supporting local communities
- Tackling inequality in the workplace
- Ensuring happy, healthy, and engaged employees
- Promoting social inclusion
- Building responsible business leadership

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.

About Heidrick & Struggles

Heidrick & Struggles (NASDAQ: HSII) serves the executive talent and leadership needs of the world's top organizations as a premier provider of leadership consulting, culture-shaping and senior-level executive search services. Heidrick & Struggles pioneered the profession of executive search more than 60 years ago. Today, the firm serves as a trusted advisor, providing integrated leadership solutions and helping its clients change the world, one leadership team at a time. www.heidrick.com

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