

**SPEECH BY MDM HALIMAH YACOB, MINISTER OF STATE FOR COMMUNITY DEVELOPMENT, YOUTH AND SPORTS, AT THE LAUNCH OF THE SINGAPORE BOARD GENDER DIVERSITY REPORT 'THE FEMALE FACTOR' 2012
FRIDAY, 12 OCTOBER 2012, 11.50AM, UBS AUDITORIUM**

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Distinguished Guests

Ladies and Gentlemen,

INTRODUCTION

1. Good afternoon. I am indeed very delighted to be here today to launch the second Singapore Board Gender Diversity Report. As Advisor to BoardAgender, I had the honour of launching the first Report in October last year and I am glad to have this honour again.

SINGAPORE BOARD GENDER DIVERSITY REPORT

2. The Singapore Board Gender Diversity Report is a joint collaboration between BoardAgender and the National University of Singapore's Centre for Governance, Institutions and Organisations. This year, the Report is supported by UBS and the Singapore Stock Exchange (SGX). I am glad that BoardAgender and NUS CGIO have once again produced this important piece of research and would like to congratulate all parties involved. I certainly hope that this research would translate into action.

3. The results of this year's Report clearly highlight the need for more progress. The proportion of women on boards in Singapore continues to be strikingly low at 7.3%. This is a very modest improvement of 0.4% from last year's 6.9%. In the meantime, other countries are pulling ahead of us – for example, Australia is at 13.8 %, Hong Kong at 10.3% and China at 8.5%. Nevertheless, it is still an improvement for Singapore over previous years starting with 6.6% in 2008.

4. There are other positive signs. The percentage of all-male boards has decreased from 61.3% in 2010 to 60.0% in 2011. This is an improvement and a sign of barriers being broken. I was glad to note that the proportion of female Chairs of the Boards increased slightly from 2.7% to 3.5%, although the proportion of CEOs dropped slightly from 4.6% to 4.1%. I was also heartened to note that Singapore firms have a higher representation of female directors as compared to non-Singapore firms, which augurs well for gender diversity in Singapore.

5. It is good to note that the public sector is leading the way. Women are much better represented in the boardrooms of statutory boards at 19.8%. Women also hold 16.9% of chair positions in statutory boards and only 16.9% of statutory boards have all-male boards¹. It is also encouraging that Temasek-linked companies (TLCs) on the SGX² are faring better at 10.3% in 2011, compared to 9.8% in 2010. These figures are above the average for SGX-listed firms and that sends a strong signal to the market.

OBSTACLES TO GENDER DIVERSITY

6. Despite gender equality in various socio-economic fronts, increasing gender diversity on boards has proven to be a real challenge. McKinsey's 2012 'Women Matter: An Asian Perspective' research showed that 70% of Asian executives did not see gender diversity as a strategic priority; in contrast, this figure was 47% in Europe so we do have a huge gap in terms of perceptions of senior executives as to whether they see gender diversity on boards as a strategic priority or not. This points to a need for a mindset change at the very top corporate levels.

7. A common feedback that I hear is that the boards are essentially a network of old boys. This presents two problems: Firstly, that board nominations tend to come from within the same network of old boys as people are most comfortable working with people they are familiar with and do not consciously seek out new candidates, including women candidates. Secondly, some women candidates are apprehensive in accepting appointments as they see boards as an 'old boys' club'. Added to that is our Asian and women's discomfort with 'promoting' our achievements, hence keeping many talented women under the radar.

TOWARDS GREATER GENDER DIVERSITY

8. Some countries have taken to legislating quotas to boost the numbers. Since Norway legislated quotas in 2003, the proportion of women on boards has increased from 7% to 21% in 2006, and to 42% this year. Spain passed a similar law in 2007. A French law passed in 2011 requires listed firms to reserve 40% of board seats for women by 2017. The Netherlands is working on one as well. The European Union too is considering the legislative route. Last July, the European Parliament passed a resolution calling for EU wide legislation stipulating that at least 40% of seats on listed companies' supervisory boards will be reserved for women by 2020. This does not oblige member states to do anything, but it reflects a spreading mood. Vivienne

¹ Source (NUS CGIO):

[http://bschool.nus.edu/Portals/0/images/CGIO/Resources/News%20release_Statutory%20Boards%20Lead%20way%20in%20boardroom%20gender%20diversity%20\(050312\).pdf](http://bschool.nus.edu/Portals/0/images/CGIO/Resources/News%20release_Statutory%20Boards%20Lead%20way%20in%20boardroom%20gender%20diversity%20(050312).pdf)

² TLC listed on the SGX. There are TLCs which are not listed on the SGX.

Reding, the EU's Justice Commissioner, says she wants European boards to be 30% female by 2015 and 40% by 2020. Finland, Sweden, Australia, Denmark, Germany, and the UK have introduced corporate governance codes or voluntary charters that have led to more women getting on boards. Closer to home, in June last year, the Malaysian cabinet approved a policy that women should comprise at least 30% of those in decision-making positions on corporate boards. However, when it comes to Singapore, I do not believe that the legislative route is the only route nor is it necessarily the best option. I also believe that Singapore women want to know that they were appointed on their individual merits, and not on account of a quota.

9. Having said that, I think setting targets (not quotas) may be a good thing. With our large pool of talented women, I believe that this is one area in which we can do a lot better. I strongly urge companies to set themselves a target of having at least 15% of women on their boards within five years. I think 15% is an extremely modest target. I would also like to up the ante for statutory boards and urge them to have at least 25% of women on their boards within the same period. Given that statutory boards currently have 19.8% of women on boards, 25% is an even more achievable target. These targets may be rather ambitious but I believe, not unachievable.

10. For a start, I am glad that the MAS has revised the Code of Corporate Governance and included gender diversity for the first time. Under the SGX Listing Rules, listed companies will need to comply with the guideline or explain in their company's Annual Report if they deviate from the guideline. Shareholders can play their part by scrutinising the Annual Reports and asking questions at AGMs.

11. Besides the public sector, Temasek-linked and government-linked companies should continue to take the lead in appointing more women to their boards. Perhaps bodies such as the Corporate Governance Council could also consider generating awareness and encouraging SGX-listed companies to be more gender-balanced.

12. BoardAgender has recently brought together 100 senior men and women as Champions of gender diversity. This is an excellent initiative. We need the commitment of such leaders, CEOs and Chairmen, to champion and place gender diversity as a strategic priority. Companies need to review their nomination and selection processes and put in place structures to systematically identify and place women on their boards. In fact, the process needs to start even earlier with companies making efforts to identify potential women leaders and to ensuring that they are given the opportunities and developed to their full potential. We need to build a critical mass of companies with a strong commitment to gender diversity that will naturally lead to "peer pressure" on other companies. I hope companies that have done well in the area of gender diversity on boards can exert some friendly pressure on other companies that are lacking behind.

13. We also need the support of the community. Active organisations such as BoardAgender, the Women Corporate Directors Singapore Chapter, as well as the Singapore Institute of Directors and the SGX, have been encouraging public discussions on gender diversity through initiatives and activities such as panel discussions. I want to urge them to keep it up! We certainly need more such concerted actions to engender a mindset change.

14. It is also important to give recognition to good efforts. This year, we have a number of awards highlighting the work done to support gender diversity. In this connection, I congratulate UBS for receiving the Exemplary Employer Award 2012 for Outstanding Workplace for Women conferred by the Tripartite Alliance for Fair Employment Practices. AWARE had chosen female corporate leadership as their “Cause of the Year” for the AWARE 2012 Awards. BoardAgender’s Junie Foo and Juanita Woodward received AWARE’s local award, and Goldman Sachs, the international award. My heartiest congratulations to BoardAgender, UBS, and Goldman Sachs!

15. Besides policies, structures and community support, women must also recognise what we can do for ourselves and other women to succeed and qualify for board positions. Women must seek out mentors and extend the reach of our networks. Try to reach out to these old boys’ clubs if you can! The senior women leaders must support and mentor potential women leaders, and help open doors. Be visible role models to inspire and empower younger women by showing that ‘it can be done’.

16. McKinsey’s “Women Matter: An Asian Perspective” study in 2012 showed that the tendency for women to be self-limiting and reluctant to promote themselves is acute in Singapore. Women must realise that while they would like to think that their work speaks for itself, in reality, they do have to take greater charge of their own careers. And be ready to accept invitations to be a board member, even if it means being the sole woman on the board.

CONCLUSION

17. In conclusion, I am confident that with greater awareness, the tighter requirements with the revised Code of Corporate Governance and more concerted efforts, that the percentage of women on boards will improve.

18. Let me congratulate once again BoardAgender and NUS CGIO, and all their partners, on their excellent efforts to increase gender diversity. Keep up the good work and I look forward to working with all of you to improve gender diversity in our boardrooms.

19. At the end of the day, it is not just the issue of increasing gender diversity; it is an issue of equality in our society. What is important is that women should be given equal treatment, equal opportunities, and equal chances to move up and to be represented at the highest levels of our society. This is the most important message that we are trying to convey when we promote gender diversity. It is not simply a question of having women on boards. Ultimately, the level of gender diversity in Singapore is a sign or a mark of the kind of society that Singapore is. Have we grown? Have we developed? Have we progressed? How do we then measure the progress or growth? This must be one of the markers of society. This is the most important point—that we should promote gender diversity on our boards as a matter of equality. Thank you very much.