

Publication Date:  
28 April 2017

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## **Ministry of Social and Family Development's Diversity Action Committee sets higher targets for women's representation on boards: 20% by 2020, 25% by 2025 and 30% by 2030**

On 4 April 2017, Singapore's Diversity Action Committee ("DAC") announced it will be adopting a "hop, skip and jump" approach to raise women's participation on boards, with a triple-tier target of 20% by 2020, 25% by 2025 and 30% by 2030.

### **Six step plan to increase the number of women board directors**

For this purpose, the DAC has formulated a six step plan to increase the number of women board directors in Singapore at a faster rate:

- 1. Require companies to disclose diversity policies (including gender) for board and key management, measurable objectives that express their policy, and progress in achieving their objectives.** When making the disclosures, companies will be inclined to examine more closely the composition of their board and key management. The disclosures also allow the market to monitor individual companies. This recommendation was made by DAC to the Monetary Authority of Singapore in August 2016 and review of the Code of Corporate Governance which governs the disclosures, is underway.
- 2. Asking companies to disclose how their board compositions are suitable for upcoming business needs, drawing women directors with appropriate skills and experience from outside the traditional pool of friends and contacts.** The business focus of this disclosure positions board gender diversity squarely for commercial objectives.
- 3. Help companies gain an in-depth understanding of the benefits of diversity** by hearing from companies, their owners and leaders who have experienced the benefits of women on boards (WOB).
- 4. Encourage investors to engage their investee companies on increasing diversity** as a way to enhance a company's ability to recognise opportunities and manage risk that translates into returns. DAC will do what it can to support these communications.
- 5. Grow the local conversation and encourage studies** on the significance of women's participation on boards and management as a contributor to governance, risk management and corporate strategy.
- 6. Work with organisations and associations which have expressed commitment to promoting board diversity and support their efforts** to multiply the efforts dedicated to the same cause and create awareness of the various initiatives available to companies in enhancing their board diversity.

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By way of background, the DAC aims to address the under-representation of women on boards of SGX-listed companies in Singapore. Mr Loh Boon Chye, CEO of SGX, was appointed to be the Chairman of the DAC in October 2016 by Mr Tan Chuan-Jin, Minister for Social and Family Development.

#### Reference materials

To read the news release relating to the above development from the DAC website [www.diversityaction.sg](http://www.diversityaction.sg), please click [here](#).

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