



*SID Launch*  
Singapore Board Diversity Index  
Wednesday, 16 September 2020 | 9.30 am - 11.30 am | Live Webcast

We will be commencing the event at **9.30 am**.



**Ng Wai King**  
Council Member  
SID



**Janet Ang**  
Council Member  
Council for Board Diversity



**Adrian Chan**  
Vice-Chairman  
SID



**Shai Ganu**  
Global Executive Compensation  
Practice Leader,  
Willis Towers Watson



**Georgette Tan**  
Chair  
BoardAgender

Supported by



an Initiative of the SCWO

# Welcome address



**Ms Junie Foo**

Chair of Board Diversity and Appointments Committee  
SID

Supported by **board  
agender**  
an Initiative of the SCWO

# SID Membership

## MEMBERSHIP BENEFITS



Networking  
Socials



Board  
Appointments



Members Rates  
for Courses and  
Events



Access to  
"Members  
Only" Portal

Connect with us **TODAY!**

Join us to be part of the community that fosters good governance and ethics in corporate leadership.

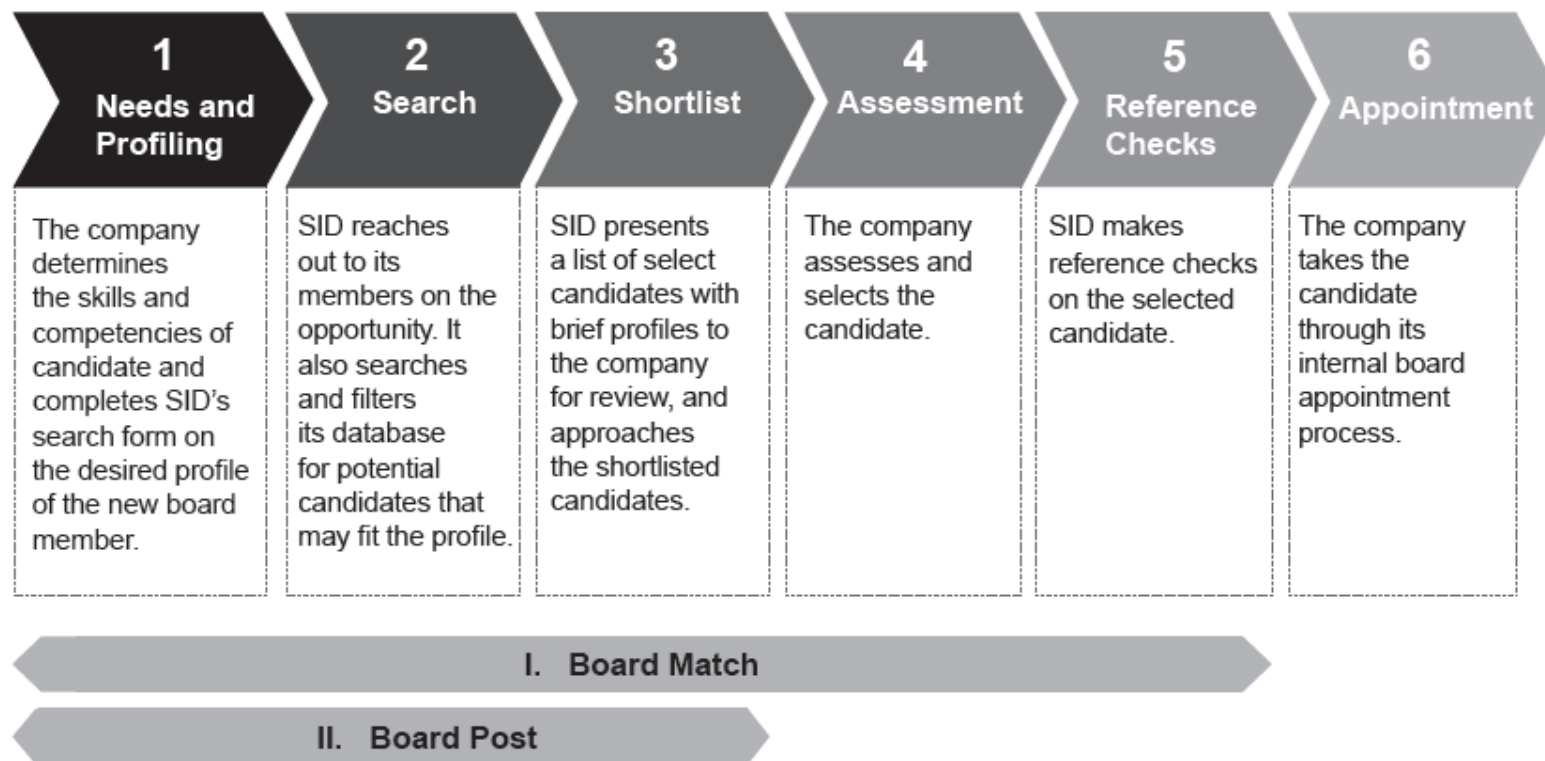
INDIVIDUAL

CORPORATE

Visit [www.sid.org.sg/join](http://www.sid.org.sg/join) to register for SID's membership

# Board Appointment Service

SID offers a set of affordable board appointment services that companies can tap on to find and appoint suitable directors. Depending upon a company's needs and interests, a company can leverage on SID's services for the entire process (**Board Match**) or to reach out to potential candidates (**Board Post**).



For more information on **Board Appointment Services**, please contact SID at [bas@sid.org.sg](mailto:bas@sid.org.sg)

# Programme Outline

Time	Programme
9.30 am	<b>Welcome address</b> Ms Junie Foo, Chair of Board Diversity and Appointments Committee, SID
9.40am	<b>Presentation of the Board Diversity Index</b> <ol style="list-style-type: none"><li>1. Mr Shai Ganu, Executive Compensation Global Practice Leader, Willis Towers Watson</li><li>2. Mr Krissandi Lee, Associate Director Executive Compensation, Willis Towers Watson</li></ol>
10.15am	<b>Panel Discussion</b>
11.00 am	<b>Q&amp;A</b>
11.30 am	End of Programme

# SID Webinar Series

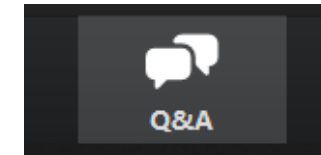


- **Webinar duration: 120 minutes.**
- **You are welcome to submit questions during the presentation.**
- **The Q&A will at the end of the presentation.**

# Q&A



- Please use the **Q&A feature** to submit your questions.



# Poll

- **We will poll for your feedback after the Q & A session.**
- **Kindly complete and submit the poll before leaving the webinar.**

**Thank You!**



# SINGAPORE BOARD DIVERSITY INDEX

## RESULTS PRESENTATION BY WILLIS TOWERS WATSON

16 SEPTEMBER 2020

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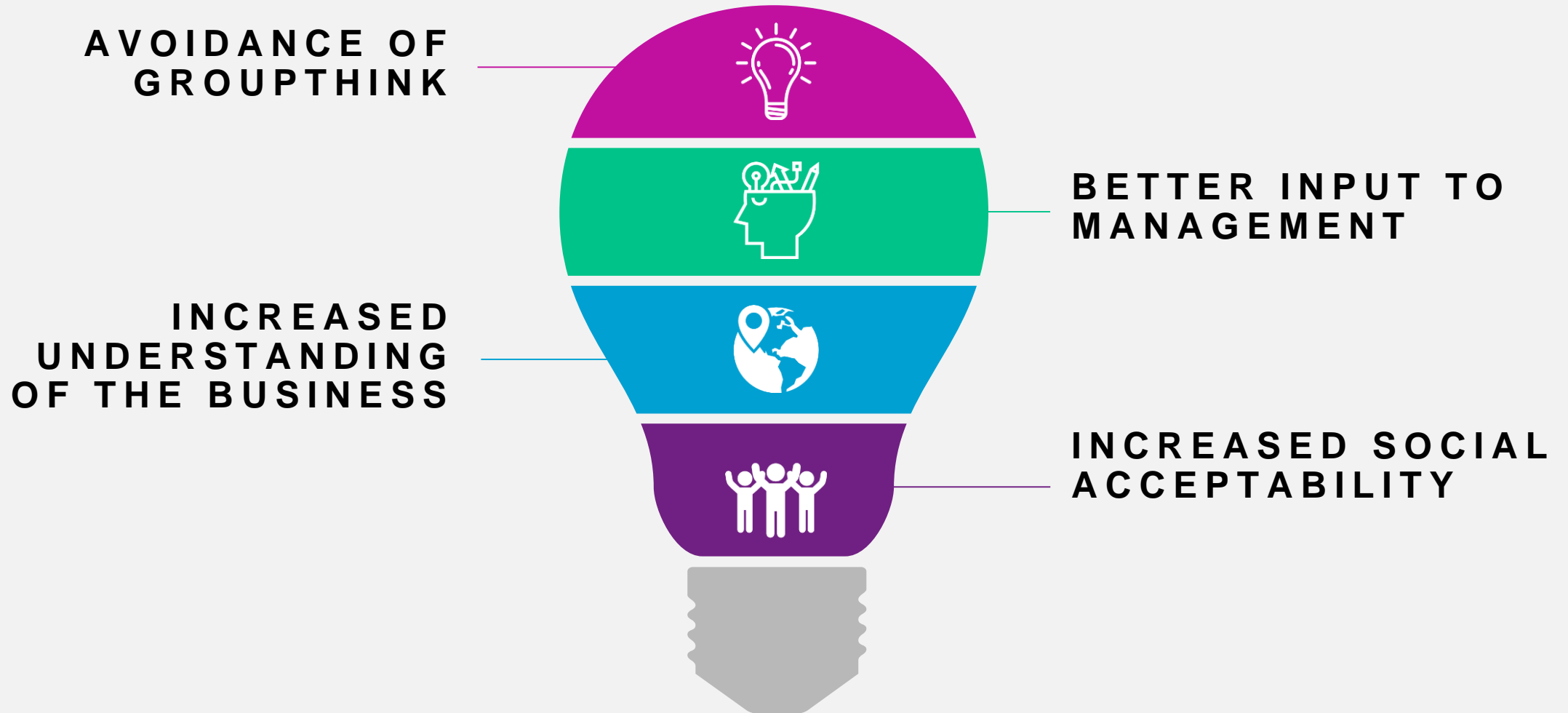
# AGENDA

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- 1. About the study and scoring the dimensions of Board Diversity**
- 2. Singapore Board Diversity results**

# About the Study

# IMPORTANCE OF BOARD DIVERSITY



# IMPORTANCE OF BOARD DIVERSITY

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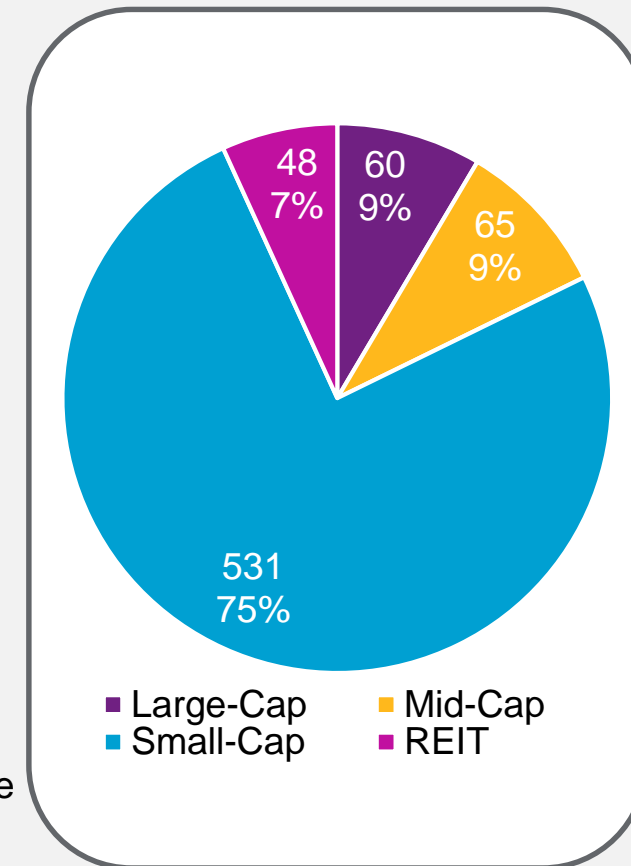
A well-constituted Board fosters more complete discussions leading to better decisions and enhanced business performance. The latest version of the Code expands the need for a strong and independent element on the Board, along with diverse skill set.”

~ Singapore Code of Corporate Governance 2018

# ABOUT THE SINGAPORE BOARD DIVERSITY INDEX

- The Singapore Board Diversity Index was developed by Willis Towers Watson (WTW) in partnership with Singapore Institute of Directors (SID), with support from BoardAgender;
- This index analysed 704 companies with primary-listing on the SGX (Main Board and Catalist):
  - **Large-Cap:** market cap of **S\$1 billion or more**
  - **Mid-Cap:** market cap of **S\$300 million to \$1 billion**
  - **Small-Cap:** market cap of **less than S\$300 million**
  - **Real-Estate Investment Trusts and Business Trusts**
- We have analyzed Board diversity across eight attributes;
- Data is collected from company annual reports, websites, director biographies and broader desktop research, and is effective as at 30 June 2019;
- Executive Directors are included as part of the analysis (except for dimension of tenure);
- The index provides a snapshot of Singapore's Board diversity landscape; it is not a reflective of, nor meant to predict company performance and corporate governance standards;
- We are not claiming that a diverse Board automatically guarantees good corporate governance. Board diversity brings different perspectives and experience to the Board's deliberations, but good corporate governance is a continuous process and reflective of overall Board proceedings;
- Finally, we would like to thank the Secretariat of the Council for Board Diversity(CBD) for assisting in the data collection and providing useful insights and feedback on the development of the index.

**Distribution of Companies By Market Cap**





# SCORING METHODOLOGY

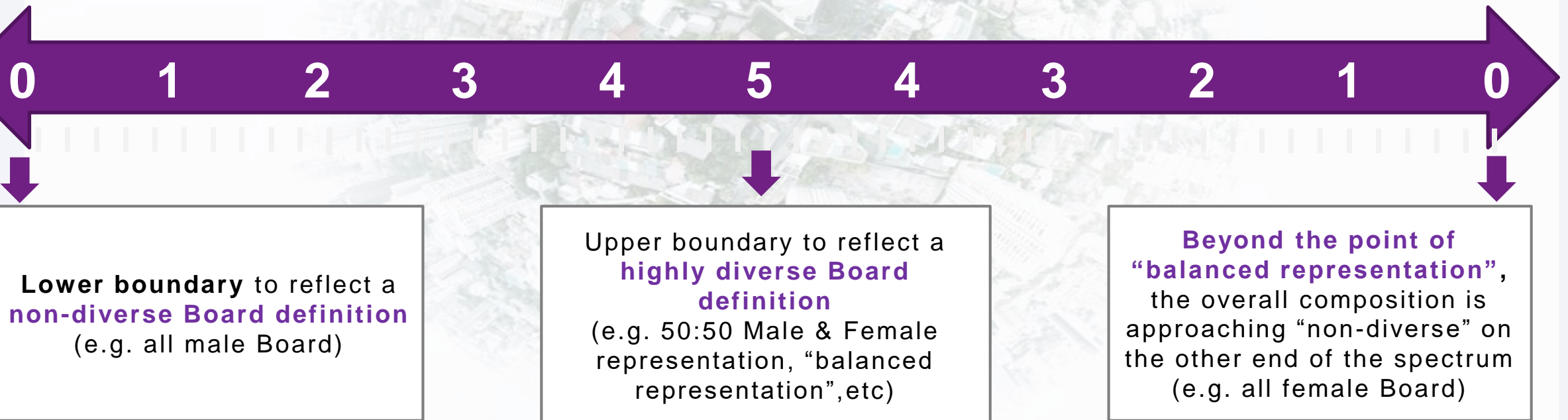
MAX SCORE

40

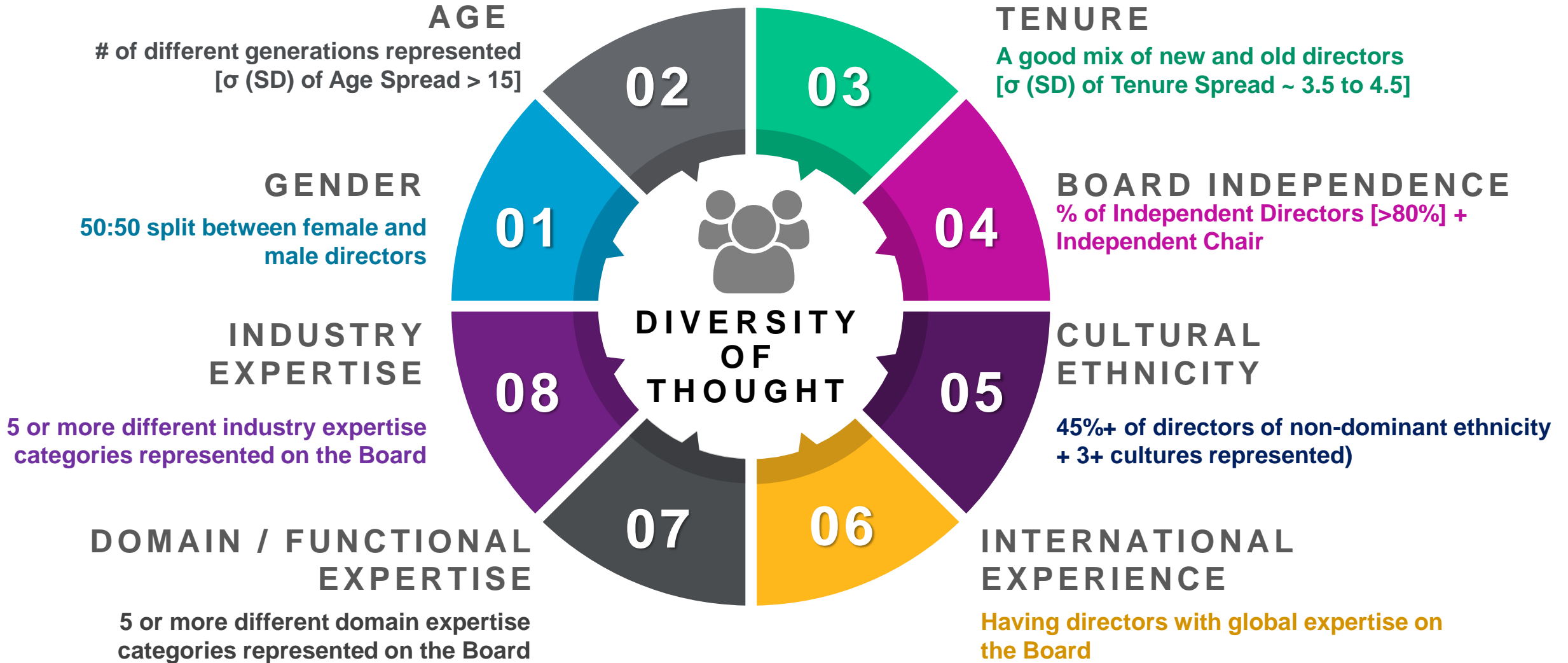
- The index is created on a **relative rank basis** - there is no intended “passing score” for the index
- Scores are assigned to companies based on their aggregate performance against **8 diversity elements**
  - Each diversity element is assigned a score using a 5-point scale
  - The total diversity score is obtained by aggregating the scores of the 8 elements (“Total Score”)

## DIVERSITY IS ABOUT MIX

Our methodology seeks to capture the “**mix**” and the “**representation**” of each dimension in the company’s Board



# KEY DIMENSIONS OF SINGAPORE BOARD DIVERSITY INDEX





# #1 GENDER DIVERSITY - OVERVIEW

## WHY GENDER DIVERSITY

Gender diverse Boards have a mixed representation of male and female directors who bring **different perspectives, competencies, functional expertise, approaches to stewardship and risk-reward orientation**, that **enhance the quality of Board decisions made**.



**16.2% | 11%**

of the board seats in Singapore-listed companies are held by women



**30% | 15%**

of SGX-listed companies have > **20%** **women's** participation on boards



**19% | 45%**

of Singapore listed companies **do not have a female** on the board

[Top 100 SGX companies CBD statistics \[Dec 2019\]](#) | [All SGX Board Diversity Index Study 2019 by WTW \[Jun 2019\]](#)

**CBD TARGETS FOR WOMEN ON TOP 100 SGX-LISTED COMPANY BOARDS TO BE 20% BY 2020, 25% BY 2025, AND 30% BY 2030**

## #2. AGE DIVERSITY - OVERVIEW

### WHY AGE DIVERSITY

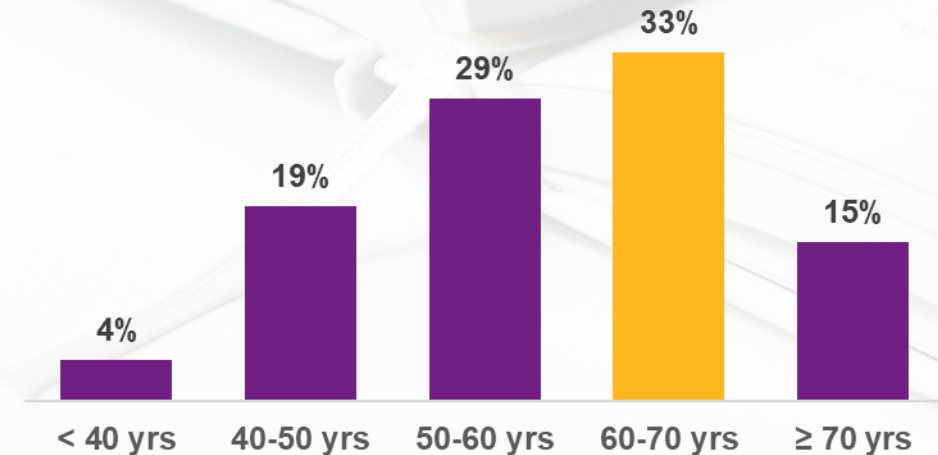
Fair representation of people from different age groups can introduce **fresh perspectives** and bring different life experiences to the Board room. Age diversity has been found to broaden debates within Boards, **reduce the risk of group think** and stay **relevant** in the market.

58

Average age of directors  
on SGX-listed Boards



of SGX-company Boards  
have **two or more directors**  
below **50 years old**.

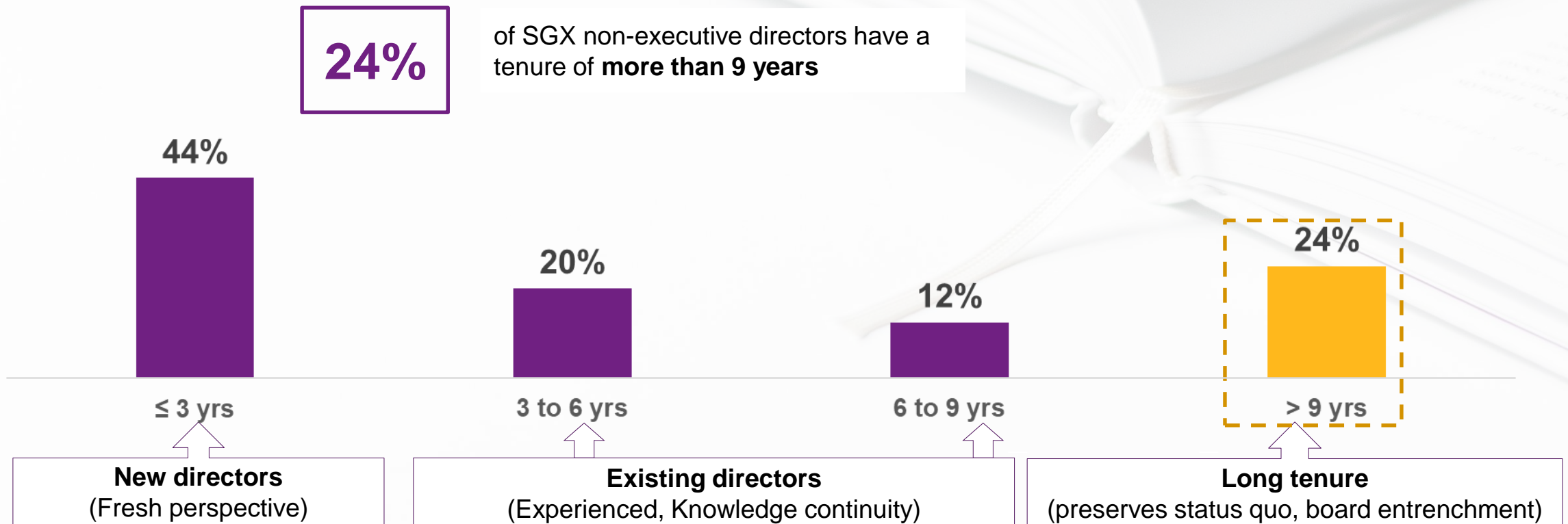


**1/3** of SGX directors are aged  
between **60-70 years old**

# #3. TENURE DIVERSITY - OVERVIEW

## WHY TENURE DIVERSITY

Tenure diversity is an important component of effective governance and board monitoring. A balance of directors with long and short tenures allows the board to benefit from senior directors' **knowledge continuity** whilst **mitigating the risk groupthink and loss of independence** through introduction of new directors.

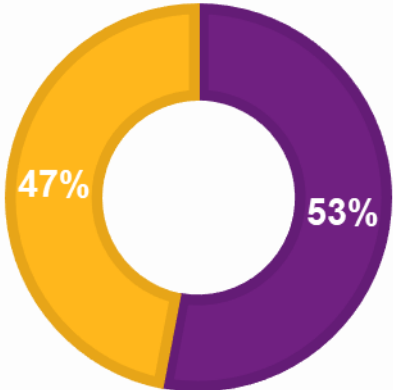


# #4. INDEPENDENCE OF THE BOARD - OVERVIEW

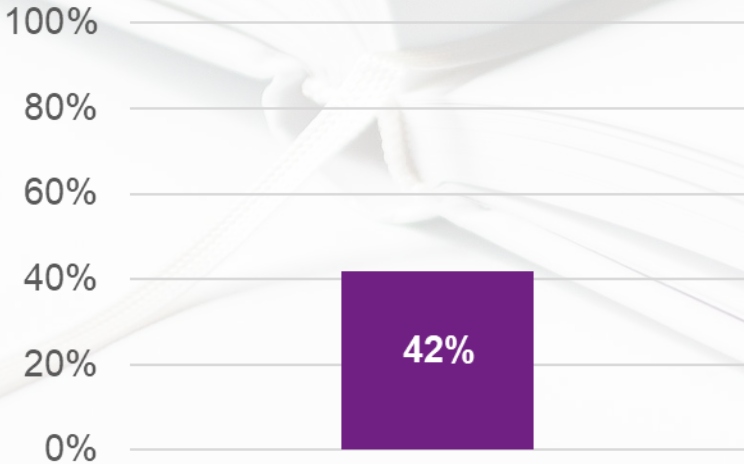
## WHY BOARD INDEPENDENCE

Boards with majority independent directors are more likely to have **unbiased decision-making aligned with shareholders' interests**. Independent board members can **bring external expertise which can reduce agency costs** and help improve performance.

■ Independent Directors ■ Non-Independent Directors



On average, independent directors make up **53%** of the Board seats



**Only 42%** of SGX boards currently have majority independent directors

# #5. CULTURAL DIVERSITY - OVERVIEW

## WHY CULTURAL DIVERSITY

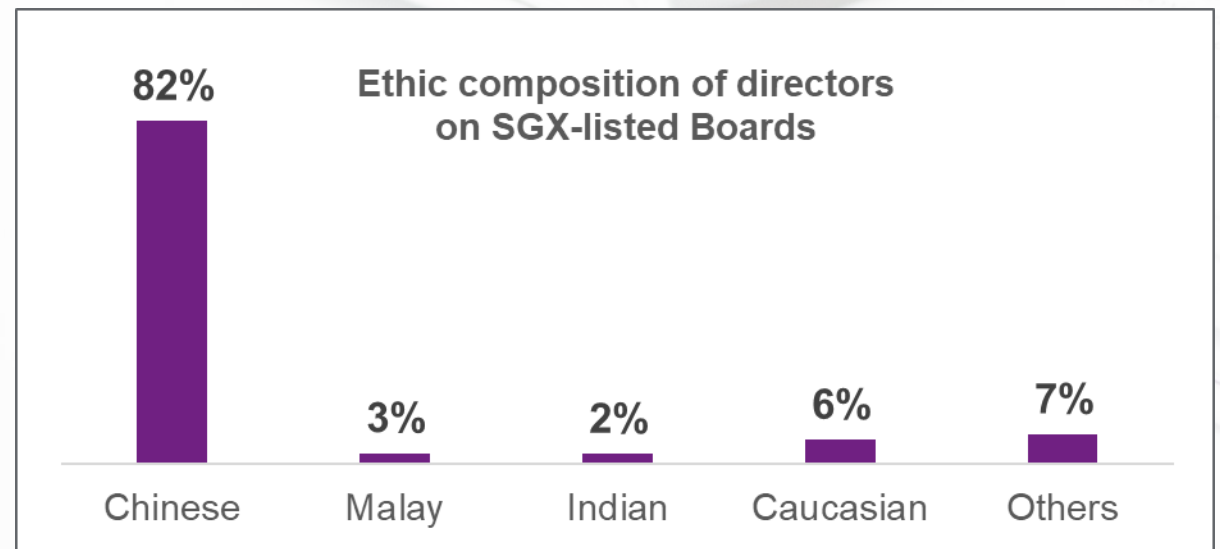
Cultural backgrounds and values shape **individuals' perceptions and behavior**. Ethnically diverse Boards benefit from broader range of thought/ experience and reduced risk of cultural prejudices, which **enhances quality of decision making**. It also helps with better representation of and **sensitivity to stakeholders** from different cultural backgrounds



### Demographics of Singapore:

- 74.4% Chinese
- 13.4% Malays
- 9% Indians
- 3.2% Others

Source: Department of Statistics Singapore – Population Trends 2019

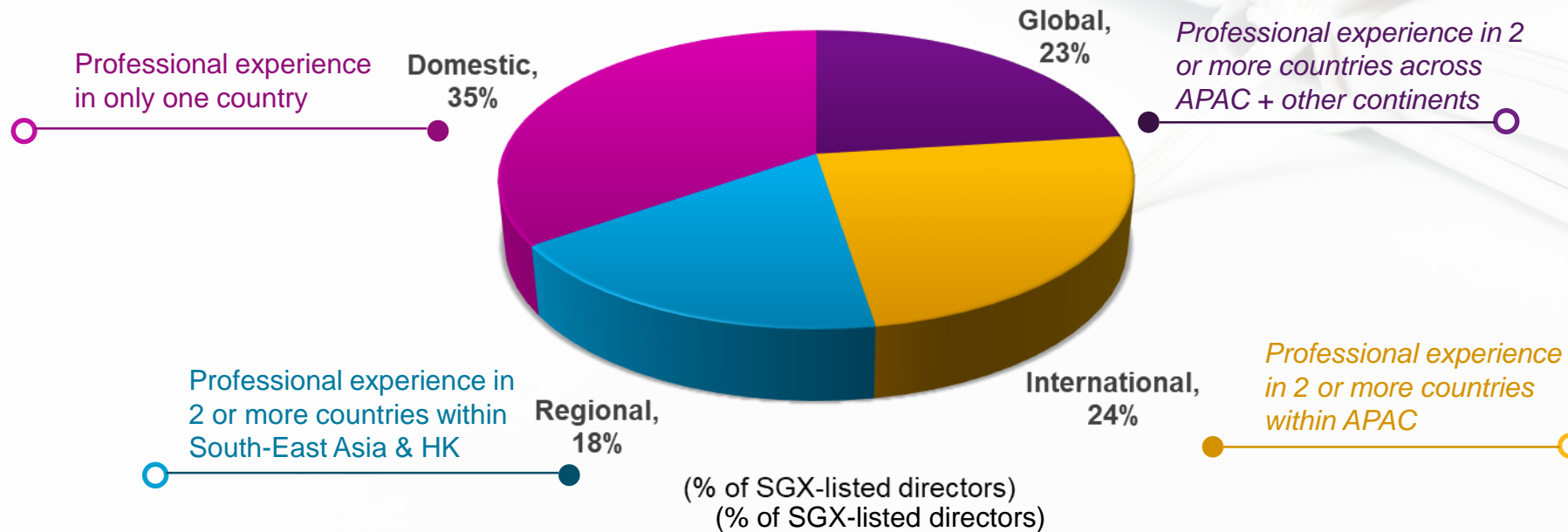


# #6. DIVERSITY OF INTERNATIONAL EXPERTISE - OVERVIEW

## WHY DIVERSITY OF INTERNATIONAL EXPERTISE

Directors with different international backgrounds contribute to **diversity of thought, experience and market-specific knowledge** (e.g. market practice, governance, political dynamics). Diversification of directors' international expertise helps the Board to **respond more quickly to changes** and can **provide access into critical markets**

Directors' International Expertise has been classified into 4 categories:



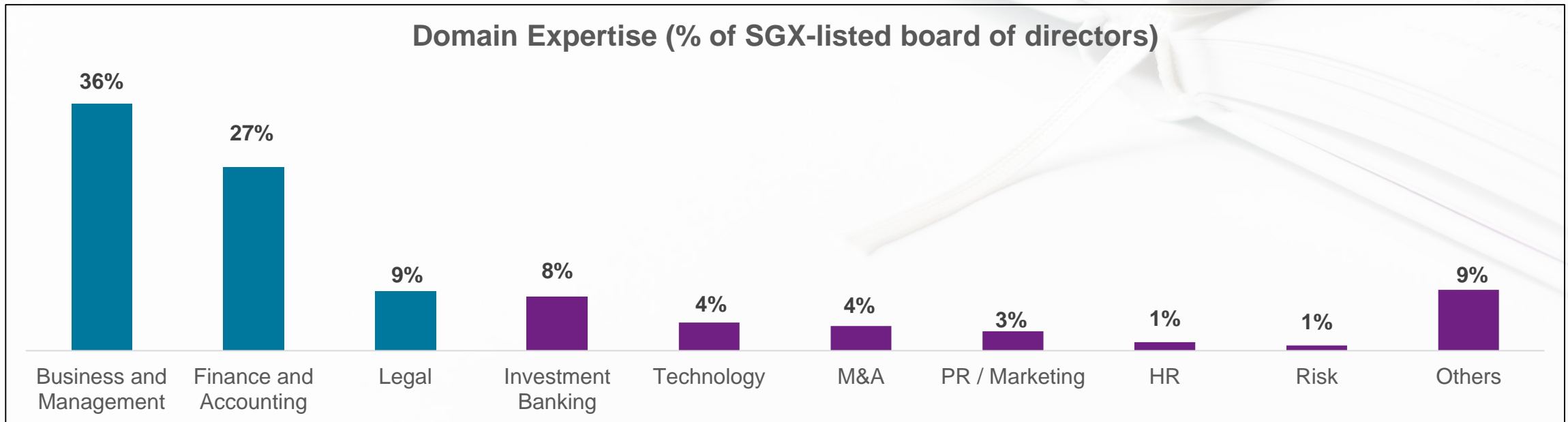


# #7. DIVERSITY OF DOMAIN EXPERTISE - OVERVIEW

## WHY DIVERSITY OF DOMAIN EXPERTISE

Diversity of professional experience and backgrounds brings **greater resources to problem solving** and skills that support the duty of boards to **monitor corporate performance and provide strategic oversight** (e.g. risk/legal/finance & accounting contribute to higher quality monitoring, management skills relating to advisory)

Domain Expertise has been classified into 10 categories:

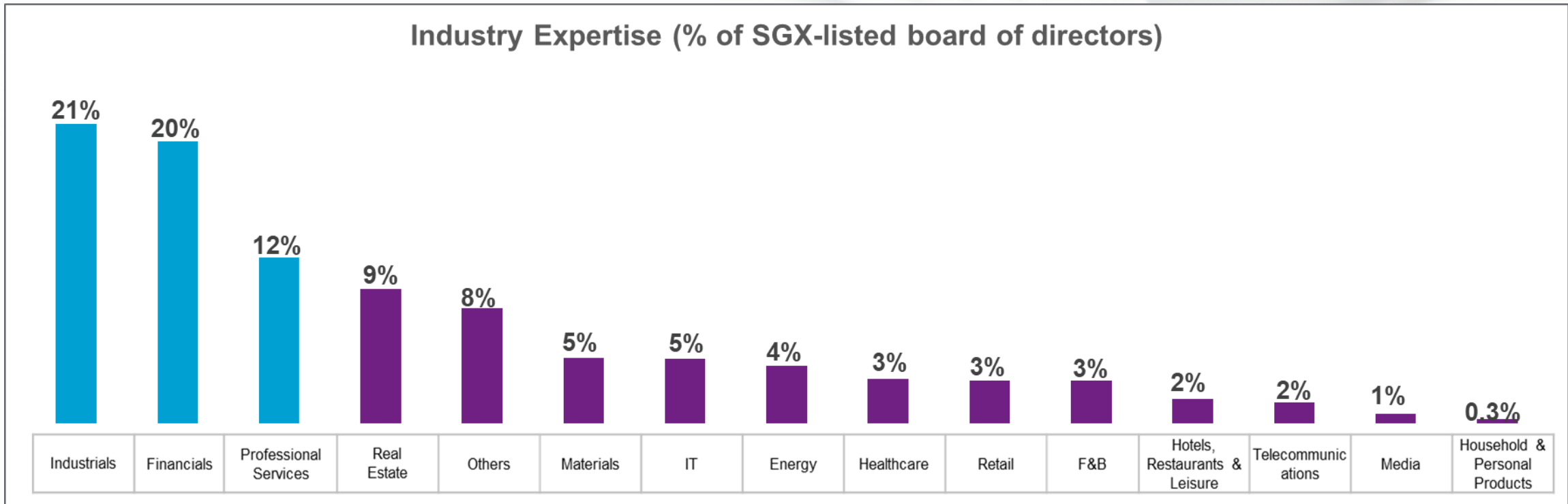


Note: Each director may be tagged to up to 2 domains

# #8. DIVERSITY OF INDUSTRY EXPERTISE - OVERVIEW

## WHY DIVERSITY OF INDUSTRY EXPERTISE

The board is collectively accountable for the long-term success and financial soundness of the company, which requires directors to have **foresight, insight and oversight** of how an organization is managed. To add this level of strategic value, boards need to have diversity in its directors' **business knowledge** and **professional experiences**.







**Final Score**

**Singapore Board  
Diversity Index**

# SINGAPORE BOARD DIVERSITY INDEX – SEGMENT RESULTS

## LARGE-CAP (> \$1B)

Rank	Company
1	Singtel
2	Singapore Exchange
3	Sembcorp Industries
4	Fraser and Neave
5	Capitaland
6	StarHub
7	Singapore Post
8	Silverlake Axis
9	DBS Group
10	Sembcorp Marine
10	SIA Engineering

## MID-CAP (\$300M - \$1B)

Rank	Company
1	Mewah International
2	Yeo Hiap Seng
3	GSH Corporation
4	Pacific Century Regional Developments
5	The Straits Trading Company
6	Metro Holdings
6	QAF Limited
8	Far East Orchard
9	Chip Eng Seng Corporation
9	Avarga Ltd
9	Low Keng Huat Ltd

# SINGAPORE BOARD DIVERSITY INDEX – SEGMENT RESULTS

## SMALL-CAP (<\$300M)

Rank

- 1 Hong Lai Huat Group
- 2 Hai Leck Holdings
- 3 Pollux Properties
- 3 Sim Leisure Group
- 3 Singapore Kitchen Equipment
- 6 Chuan Hup Holdings
- 6 Fortress Minerals
- 6 Sunningdale Tech
- 9 Sarine Technologies
- 9 Singapore Shipping Corporation

## REITS/ BUSINESS TRUSTS

Rank

- 1 Mapletree Commercial Trust
- 2 Ascendas India Trust
- 3 Mapletree Industrial Trust
- 4 OUE Commercial Real Estate Investment Trust
- 5 CapitaLand Commercial Trust
- 6 Mapletree Logistics Trust
- 7 Asian Pay Television Trust
- 8 Ascendas Real Estate Investment Trust
- 8 Keppel Infrastructure Trust
- 10 Hutchison Port Holdings Trust

# SINGAPORE BOARD DIVERSITY INDEX – OVERALL RESULTS

## FULL SGX

Rank





# Thank You

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# Panel Discussion

## Moderator



**Ng Wai King**  
Council Member  
SID



**Janet Ang**  
Council Member  
Council for Board Diversity



**Adrian Chan**  
Vice-Chairman  
SID



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**Thank You!**

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# Webinar Feedback

**Thank You!**