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18th June 2021

By Post and By email

Hong Kong Exchanges and Clearing Limited
8/F, Two Exchange Square
8 Connaught Place, Central
Hong Kong
[REDACTED]

Dear Sirs/Madam,

Proposed changes to the Corporate Governance Code and related amendments to the Stock Exchange Listing Rules - Response from Zonta Club of Hong Kong

We understand The Stock Exchange of Hong Kong Limited (the Exchange), a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (HKEx), published a consultation paper (Consultation Paper) on 16th April 2021 outlining proposed enhancements to the Corporate Governance Code and Corporate Governance Report (the Code), as well as related amendments to the Listing Rules (the Rule).

The proposals include new measures aimed at further enhancing corporate governance standards among listed issuers in Hong Kong, specifically in the areas of corporate culture, director independence, diversity, and in Environmental, Social and Governance (ESG) disclosures and standards. Zonta Club of Hong Kong¹ (ZCHK) would like to focus on “diversity” in our response to your questionnaire (namely, Question 6) and have extracted below your questions (Question 6(a) to (d)) from the online questionnaire. Our responses to the relevant questions are set out below.

- a) Do you agree with our proposal to highlight that diversity is not considered to be achieved by a single gender board in the note of the Rule?

[ZCHK: Yes. There are many fields where female experts and professionals continue to be significant in numbers or in some cases, surpass the male population. We would argue against those who say that it may be difficult to find female directors to fill certain roles in a listed issuer. This note should indeed also apply to senior management team of all listed issuers.]

¹ Zonta Club of Hong Kong, established in 1972, is an organization of executives and professionals working together to empower women through service and advocacy.

- b) Do you agree with our proposal to introduce a mandatory disclosure requirement requiring all listed issuers to set and disclose numerical targets and timelines for achieving gender diversity at both: (a) board level; and (b) across the workforce (including senior management)?

[ZCHK: Yes. We advocate setting and disclosing numerical targets and timelines. Three years should be the timeline target to achieve the gender diversity target. For numerical targets at board level and senior management level of a listed issuer, we should strive for a 30% female target.]

- c) Do you agree with our proposal to introduce a code provision requiring the board to review the implementation and effectiveness of its board diversity policy annually?

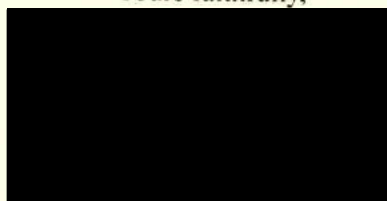
[ZCHK: Yes, particularly in terms of gender diversity.]

- d) Do you agree with our proposal to amend the relevant forms to include directors' gender information?

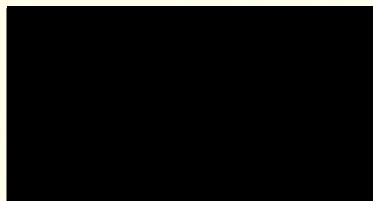
[ZCHK: Yes. However, as there are social movements involving gender identification, it may be necessary to allow directors not to fill in their gender, to avoid allegations of discrimination. That said, the flexibility of allowing directors not to indicate their gender may cause administrative difficulty to submit the figures. To ensure that the number of female directors should be reported and registered for meeting the mandatory disclosure requirement, HKEx may consider whether it would be permissible that, where a director has not indicated his or her gender on the form, the listed issuer may take the gender indicated on his or her identity card as the basis for calculating gender composition on the board.]

Thank you for your attention. We welcome the Consultation Paper and look forward to an early release of the results of your consultation in due course.

Yours faithfully,



President



Advocacy Committee Chairperson