

Part B Consultation Questions

15. Do you agree with our proposal to incorporate gender disclosure in proposed Subject Area B. Social, under the sub-heading “Employment and Labour Standards”?

Yes

No

Please give reasons for your views.

Dear Sir/Madam:

[Catalyst](#) appreciates the opportunity to comment on the Consultation Paper on Review of the Environmental, Social and Governance Reporting Guide.

Founded in 1962, Catalyst is the leading nonprofit organization expanding opportunities for women and business. With operations in the United States, Canada, Europe, India, Australia, and Japan, and more than 800 [member](#) organizations, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the [Catalyst Award](#).

Catalyst strongly supports the proposal to incorporate gender disclosure at all levels of a company in Subject Area B under the sub-heading "Employment and Labour Standards." We appreciate the value of the Hong Kong Stock Exchange comply or explain mechanism currently in place, and believe that requirements such as these enable investors to make informed decisions in assessing a company's integrity.

While Catalyst believes that the proposed approach to assessment is perfectly appropriate and advantageous to both entities and their stakeholders, we urge the Hong Kong Stock Exchange to be more active in strengthening diversity and inclusion efforts. One way to strengthen its effectiveness is to build in accountability. Furthermore, we urge the HKEx to set some minimal criteria for efficacy—and insist that all regulated diversity policies meet those criteria.

Catalyst [research](#) and analysis suggest that unless action is taken, the representation of women on companies' boards and within senior leadership teams will remain unchanged for decades to come. Furthermore, the business case for gender diversity is well-established: Catalyst research shows that companies with [more women on their boards](#) and [in senior leadership](#), on average, financially outperform those with fewer women and are linked with better [corporate social performance](#) and more [philanthropic initiatives](#). [Research](#) also suggests that companies with greater diversity on their boards and in senior leadership increases their ability to draw from top talent, better serve their customer base by reflecting diverse perspectives, and enjoy higher levels of innovation, creativity, and effectiveness.

Catalyst strongly believes that by implementing these recommendations and making use of the many resources currently available to expand diversity in corporate leadership, organizations can achieve gender parity at every level. Transparency and disclosure are important, but actions beyond diagnosing the problem must be taken for lasting change to occur. Accountability is a key ingredient missing from the current proposal.

We appreciate the opportunity to comment on this critical issue and we hope you will contact us with any further questions.

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