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Hong Kong to require gender board diversity, corporate governance

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Single gender boards of listed companies in Hong Kong will be required to appoint a minimum of one director of a different gender and strengthen board independence under revisions to the Stock Exchange of Hong Kong Limited's Corporate Governance Code and Listing Rules.

Highlights

- Companies will have to define numerical board gender diversity targets and timelines; conduct an annual review of their board diversity policy; disclose workforce gender ratios (including senior managers); and publish plans or measurable objectives to achieve gender diversity. Existing listed issuers will have a three-year transition period to comply with the gender diversity requirement — and will have to appoint a director of a different gender by 31 Dec 2024.
- Boards will be required to appoint new independent non-executive directors (INEDs) if all INEDs have served more than nine years for the financial year commencing on or after 1 Jan 2023. Companies must disclose the factors considered in reappointing INEDs serving more than nine years, outline the board's discussion of the independence of long-serving INEDs facing re-election, and publish the tenure of named long-serving INEDs in shareholder papers prepared for the annual general meeting.
- Environmental, social and governance reports must be published at the same time as annual reports.

The measures follow an April 2021 consultation on proposals aimed at strengthening board diversity and independence — currently 850 or 32.9% of listed companies have single gender boards. The revised code will generally take effect on 1 Jan 2022 and will apply to reports for financial years starting on or after that date.

Related resource

- [Exchange publishes conclusions on review of corporate governance code \(HKEX, 10 Dec 2021\)](#)

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