

Submitted via Qualtrics

The 30% Club Hong Kong

Company/Organisation view

Others (please specify)

Question 1

Do you agree with our proposal to introduce a new Code Provision (CP) under the Corporate Governance Code (CG Code) requiring issuers without an independent board chair to designate one independent non-executive director (INED) as a Lead INED to enhance engagement with investors and shareholders?

Yes

Please provide reasons for your views.

Yes, the appointment of a lead independent director as a Code Provision is supported and reflects previous positions put forward by 30% Club Hong Kong. Such a position is particularly important for Hong Kong companies given the presence of block shareholders. However, it should be noted that the size of the company should be considered. For smaller companies, this should be a recommendation rather than a CP.

How this is done, whether or not through a Corporate Governance Committee is up to the individual company.

To give issuers and the lead INED clarity on their role we recommend that the proposed CP be expanded to include that the lead INED should be responsible for the following:

- o Chairing all meetings of the board at which the chair is not present, including sessions of the independent directors;
- o Principal liaison on board-wide issues between the independent directors and the chair;
- o Calling meetings of the independent directors;

- o Approving the quality, quantity, appropriateness and timeliness of information sent to the board as well as approving meeting agenda items;
- o Facilitating the board's approval of the number and frequency of board meetings, as well as meeting schedules to assure that there is sufficient time for discussion of all agenda items;
- o Retain outside advisors and consultants who report directly to the board of directors on board-wide issues;
- o Ensuring they be available, if requested by shareholders, when appropriate, for consultation and direct communication;
- o They should agree to and document the split roles between a non-independent chair, the CEO and the lead independent director and have this published on the company's website so that shareholders can understand the division of responsibilities.

Question 2(a)

Regarding continuous professional development for directors, do you agree with our proposal to make continuous professional development mandatory for all existing directors, without specifying a minimum number of training hours?

Yes

Please provide reasons for your views.

Yes, we agree with the proposals in (a), (b) and (c), with the reservation that the training requirement should not deter international candidates from considering being directors on Hong Kong boards. This is particularly relevant for candidates with board experience from major listed companies globally, including in the UK, Australia and the US. We recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere.

Question 2(b)

Regarding continuous professional development for directors, do you agree with our proposal to require First-time Directors to complete a minimum of 24 hours of training within 18 months following their appointment?

Yes

Please provide reasons for your views.

Yes, we agree with the proposals in (a), (b) and (c), with the reservation that the training requirement should not deter international candidates from considering being directors on Hong Kong boards. This is particularly relevant for candidates with board experience from major listed companies globally, including in the UK, Australia and the US. We recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere.

Question 2(c)

Regarding continuous professional development for directors, do you agree with our proposal to define “First-time Directors” to mean directors who (i) are appointed as a director of an issuer listed on the Exchange for the first time; or (ii) have not served as a director of an issuer listed on the Exchange for a period of three years or more prior to their appointment?

Yes

Please provide reasons for your views.

Yes, we agree with the proposals in (a), (b) and (c), with the reservation that the training requirement should not deter international candidates from considering being directors on Hong Kong boards. This is particularly relevant for candidates with board experience from major listed companies globally, including in the UK, Australia and the US. We recommend that the type of training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere.

Question 2(d)

Regarding continuous professional development for directors, do you agree with our proposal to specify the specific topics that must be covered under the continuous professional development requirement?

Yes

Please provide reasons for your views.

Yes, we agree with the proposals in (a), (b), (c) and (d), with the reservation that the training requirement should not deter international candidates from considering being directors on Hong Kong boards. This is particularly relevant for candidates with board experience from major listed companies globally, including in the UK, Australia and the US. We recommend that the type of

training be specified, and that a Hong Kong specific training be recommended for non-HK directors who have served on boards elsewhere.

Question 3

Do you agree with the proposed consequential changes to Principle C.1 and CP C.1.1 of the CG Code?

Yes

Please provide reasons for your views.

Question 4

Do you agree with our proposal to upgrade the current Recommended Best Practice (RBP) in the CG Code to a CP requiring issuers to conduct regular board performance reviews at least every two years and make disclosure as set out in CP B.1.4?

Yes

Please provide reasons for your views.

Question 5

Do you agree with our proposal to introduce a new CP requiring issuers to maintain a board skills matrix and make disclosure set out in CP B.1.5?

Yes

Please give reasons for your views.

While we agree with the suggestion of disclosure of a skills matrix, we believe there should be more granularity. For most Hong Kong companies, only a third of the board is made up of INEDs. In Australia, skills matrices identify core industry skills and what other skills the independent directors possess, which should include finance skills. This makes the matrix very informative because the board usually comprises only one executive, the CEO. Investors seek to understand the skills of the independent directors who have oversight of management and represent shareholders. A Hong Kong company is typically 6 executives and 3 INEDs, because it is mandatory for an issuer to ensure a third of the board is represented by INEDs. Amongst the executives will be many skills reflected in the skills matrix. This can be quite misleading as it is the skills and experience set of the INEDS that matters to investors. The way the Code is currently worded, requiring a single skills matrix will potentially lead to misleading and/or irrelevant information for investors. We

recommend that there be two skills matrices – one for executive directors and one for INEDs, or simply just one covering INEDs. Such disclosures will provide much more informative information to investors on the INEDs.

Question 6(a)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the hard cap to ensure that INEDs are able to devote sufficient time to carry out the work of the listed issuers?

Yes

Please provide reasons for your views.

Yes, we agree. Overboarding is a grave concern for governance. We believe listed issuer directorships should be capped at 6 boards for INEDs/NEDs and that Chairpersons must be distinguished due to time commitment with a limit of 2 Chairperson roles. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public for transparency.

Question 6(b)

In relation to our proposal to introduce a “hard cap” of six listed issuer directorships that INEDs may hold, do you agree with the proposed three-year transition period to implement the hard cap?

Yes

Please provide reasons for your views.

Yes, we agree. Overboarding is a grave concern for governance. We believe listed issuer directorships should be capped at 6 boards for INEDs/NEDs and that Chairpersons must be distinguished due to time commitment with a limit of 2 Chairperson roles. The time commitment expected for a director for each board, including directorships for offshore companies, should be made public for transparency.

Question 7

Do you agree with the proposal to introduce a new Mandatory Disclosure Requirement (MDR) in the CG Code to require the nomination committee to annually assess and disclose its assessment of each director’s time commitment and contribution to the board?

Yes

Please provide reasons for your views.

Yes, please see answer to question 6. Disclosure of each director's time commitment is helpful but does not provide any context as to whether that time commitment is sufficient to discharge directors' duties for a particular issuer. To give context the issuer should be required to determine and disclose its assessment of the time commitment expected for a director for each board, including directorships for offshore companies. Undertaking such a process will not only help the issuer and directors to consider duties and responsibilities and associated time commitments and whether existing directors are meeting such requirements, but are important when considering the appointment of new directors. Issuers should also be required to disclose their assessment of time commitments to prospective directors.

Question 8(a)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed hard cap to strengthen board independence?

Yes

Please give reasons for your views.

Yes, we strongly support this proposal and it reflects submissions we have made in the past. However, the proposal should be further strengthened by specifying the conditions of the two-year cooling-off period, including that a director may not serve on a board of the same or connected group during this time. Directors must be fully removed from the group or other connected boards during the cooling-off period.

A 9-year rule leads to effective succession planning, particularly for the independent directors on Hong Kong listed companies who are required to ensure that minority shareholders have a voice and therefore their demonstrable independence from the controlling shareholder is vital.

As previously submitted to HKEX, the 9-year independence rule aligns with many jurisdictions around the world. The Singapore two-tiered voting system is supported. The 9-year rule should encourage more structured succession planning by Hong Kong companies which in turn will have a positive impact on diversity (see Footnote 1 below).

We further recommend that:

The independent shareholder vote should be disclosed separately on the re-election of all NEDs. Where there is not majority support for the re-election of NEDs (by independent shareholders) a CP should require that the issuer report back to HKEX within 30 days of the meeting the Board's rationale for the continuation of that director in office. The purpose of this recommendation is that it is important for the views of independent shareholders to be understood by issuers regarding the election of directors. NEDs (including INEDs) who can be re-elected by the significant voting power of the major shareholder (s) even if a majority of independent shareholders do not support such re-election.

Footnote 1

Under the Singapore Listing Rules a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers will no longer be considered independent.

Question 8(b)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree that a person can be re-considered as an INED of the same issuer after a two-year cooling-off period?

Yes

Please provide reasons for your views.

Yes, we strongly support this proposal and it reflects submissions we have made in the past. However, the proposal should be further strengthened by specifying the conditions of the two-year cooling-off period, including that a director may not serve on a board of the same or connected group during this time. Directors must be fully removed from the group or other connected boards during the cooling-off period.

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Question 8(c)

In relation to our proposal to introduce a “hard cap” of nine years on the tenure of INEDs, beyond which an INED will no longer be considered to be independent, do you agree with the proposed three-year transition period in respect of the implementation of the hard cap?

Yes

Please provide reasons for your views.

Yes, we strongly support this proposal and it reflects submissions we have made in the past. However, the proposal should be further strengthened by specifying the conditions of the two-year cooling-off period, including that a director may not serve on a board of the same or connected group during this time. Directors must be fully removed from the group or other connected boards during the cooling-off period.

A 9-year rule leads to effective succession planning, particularly for the independent directors on Hong Kong listed companies who are required to ensure that minority shareholders have a voice and therefore their demonstrable independence from the controlling shareholder is vital.

As previously submitted to HKEX, the 9-year independence rule aligns with many jurisdictions around the world. The Singapore two-tiered voting system is supported. The 9-year rule should encourage more structured succession planning by Hong Kong companies which in turn will have a positive impact on diversity (see Footnote 1 below).

We further recommend that:

The independent shareholder vote should be disclosed separately on the re-election of all NEDs. Where there is not majority support for the re-election of NEDs (by independent shareholders) a CP should require that the issuer report back to HKEX within 30 days of the meeting the Board's rationale for the continuation of that director in office. The purpose of this recommendation is that it is important for the views of independent shareholders to be understood by issuers regarding the election of directors. NEDs (including INEDs) who can be re-elected by the significant voting power of the major shareholder (s) even if a majority of independent shareholders do not support such re-election.

Footnote 1

Under the Singapore Listing Rules a director who has been a director for an aggregate period of more than 9 years (whether before or after listing) and whose continued appointment as an independent director has not been

sought and approved in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officers will no longer be considered independent.

Question 9

Do you agree with the proposal to require all issuers to disclose the length of tenure of each director in the CG Report?

Yes

Please provide reasons for your views.

Question 10

Do you agree with our proposal to introduce a CP requiring issuers to have at least one director of a different gender on the nomination committee?

Yes

Please provide reasons for your views.

Yes, we agree with this proposal, however it should be considered in the context of our other recommendations in relation to board gender diversity. Where there is only one person of a different gender on the board, the proposed requirement of a person of a different gender on the nomination committee should not apply. It should only apply if there are at least two or more directors of a different gender on the board. We further recommend that the Chair of the nomination committee be required to be an INED.

Question 11

Do you agree with our proposal to introduce a Listing Rule to require issuers to have and disclose a diversity policy for their workforce (including senior management)?

Yes

Please provide reasons for your views.

Yes, we strongly support this proposal for issuers to have and disclose a diversity policy for their workforce, including senior management. This echoes previous submissions by 30% Club Hong Kong. Gender diversity throughout the organisation is critical and will also increase the pool of suitable qualified female candidates to transition from management into executive and non-executive director roles.

However, we believe HKEX must now go much further. Research shows that when diversity on boards is considered whilst setting the same objectives and targets for senior management levels and beyond, it is much more likely that the ‘trickle-down effect’ will have an impact. The issue of increased diversity must be tackled at all levels.

That is why 30% Club Hong Kong suggests clarifying the mandatory disclosure requirement on measurable objectives and targets in the proposed rule requiring issuers to have and disclose a diversity policy for their workforce. We specifically urge HKEX to require issuers to set targets of 30% gender diversity at senior management level by 2027.

Please see our suggested drafting revisions to proposed J (b) further below.

Board gender diversity – extension of no single gender board rule and recommended amendments to Rule 13.92:

Separately, 30% Club Hong Kong would like to see the no single-gender boards rule be extended to 30% representation of women on boards by 2027, with the aim of parity.

As previously noted by HKEX, board diversity promotes effective decision making and enhances corporate governance and is an increasingly important factor when investors make their investment decisions. We talk about 30% diversity because evidence demonstrates that this is the required critical mass for groups to stop thinking about having a “minority” of women and instead think inclusively about the Board as a whole, operating together regardless of gender. It helps erode homogeneity and ultimately promotes better governance (Joecks J, Pull K and Vetter K (2013) Gender diversity in the boardroom and firm performance: what exactly constitutes a ‘critical mass’? Journal of Business Ethics, 118(1), 61-72). Of course, 30% is not an upper limit and we ultimately should be trending to gender parity. There is a large body of research that a truly diverse board that reflects different perspectives and experiences has a higher probability of business success and is better positioned to navigate the serious challenges in these volatile and disruptive times.

We warmly welcomed the Listing Rule dictating that single-gender boards will no longer be tolerated by the end of 2024, but HKEX must now go further. The single gender boards requirement has undoubtedly had an impact in terms of an increase in the number of female board appointments and a significant decrease in single gender boards. However, as we have previously highlighted, we are concerned that the end of single gender boards as required by the HKEX rule runs the risk of issuers simply appointing one woman per board to meet the mandatory requirement. This is now borne out by statistics: since 2021, issuers with 1 female director has increased by almost 10%. Issuers with more than 1 female director has only increased by 6%.³ The board gender diversity percentage for the HSI is still at only 19% with only one issuer still to meet the no single gender board requirement. When all issuers meet the no single gender board requirement it will have a minimal impact on the overall percentage of women on boards in Hong Kong.

This is against the backdrop of many countries in the region quickly catching up to or surpassing Hong Kong on this issue, including Singapore at 23.7% female representation on boards and a 25% target by end-2025, Malaysia at 30.9% and a target of 30% introduced in 2017, Thailand at 19% female representation on boards, Japan at 19.6% with a target of 30% by 2030 and India at 20% female representation. Hong Kong's standing as a preeminent global financial centre is at risk.⁴ It should thus be a matter of deep disappointment and concern to HKEX and to the business and investment community that the percentage of women on boards in Hong Kong remains very low and progress has stagnated. Our corporate governance standards must align developments in admission standards and global best practices. If Hong Kong wants to maintain its reputation and position as a leading global financial centre the standard must be raised. That is why 30% Club Hong Kong would like to see the no single-gender boards rule be extended to 30% representation of women on boards by 2027, with the aim of parity.

30% Club recommended edits to 13.92:

(2) Board diversity differs according to the circumstances of each issuer. While diversity of board members can be achieved through consideration of a number of factors (including but not limited to gender, age, cultural and educational background, or professional experience), the Exchange will not consider diversity to be achieved for a single gender board. Further, by 31 December, 2027, the Exchange will not consider diversity to be achieved with

less than 30% directors of different genders. If issuer is unable at any time to meet the requirement to have directors of different genders on the board and the requirement to have 30% of directors of different genders by 31 December, 2027, it must immediately publish an announcement containing the relevant details and reasons. The issuer must use all reasonable endeavours to appoint appropriate member(s) to the board to meet such requirement on a timely basis, and in any case within three months after being unable to meet such requirement.

30% Club recommended edits to C1 – J Diversity in relation to diversity policies including workforce:

a) (i) The issuer's policy on board diversity or a summary of the policy, which should include information on measurable objectives including targets of at least 30% board gender diversity by 31 December, 2027 for the promotion of gender diversity on its board and the measures the issuer has adopted to develop a pipeline of potential successors to the board to achieve gender diversity; and (ii) the results of issuer's review of the implementation of its board diversity policy conducted during the year (including progress towards the issuer's objectives and the aforementioned target and how the issuer has arrived at its conclusion);

(b) the issuer's policy on diversity in the workforce (including senior management) or a summary of the policy, including plans or measurable objectives the issuer has set for achieving gender diversity, including targets of at least 30% gender diversity in senior management by 2027 and progress on achieving those objectives including the aforementioned target. Where applicable, issuers may disclose any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant; and

(c) the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management).

Note: In this Corporate Governance Code, "senior management" refers to the same persons referred to in the issuer's annual report and required to be disclosed under paragraph 12 of Appendix D2.

Gender Neutral Board Chair

In keeping with the adjustments to the Listing Rules over recent rounds to adjust gender specific language we strongly recommend that Appendix C1 Part 1 C. CHAIRMAN AND CHIEF EXECUTIVE be amended to read: BOARD CHAIR AND CHIEF EXECUTIVE

The identity of the board chair and chief executive.

We further recommend associated drafting recommendations throughout the Listing Rules such that Chairman is amended to Chair or Chairperson.

Question 12

Do you agree with our proposal to upgrade from a CP to a MDR the requirement on the annual review of the implementation of an issuer's board diversity policy?

Yes

Please provide reasons for your views.

Yes we agree with this proposal. We are pleased to see that measurable objectives are no longer optional but we urge HKEX to go further. For the reasons set out in our answer to question 11, the no single-gender boards rule must be extended to 30% representation of women on boards by 2027, with the aim of parity.

We urge the Exchange to now require issuers to set a target of at least 30% board gender diversity by 31 December, 2027 in preparation for our proposed amendment to Rule 13.92 and that this requirement be included in considered amendments to the proposed MDR as drafted below and in question 11.

30% Club recommended edits to C1 – J Diversity in relation to diversity policies including workforce:

a) (i) The issuer's policy on board diversity or a summary of the policy, which should include information on measurable objectives including targets of at least 30% board gender diversity by 31 December, 2027 for the promotion of gender diversity on its board and the measures the issuer has adopted to develop a pipeline of potential successors to the board to achieve gender

diversity; and (ii) the results of issuer's review of the implementation of its board diversity policy conducted during the year (including progress towards the issuer's objectives and the aforementioned target and how the issuer has arrived at its conclusion);

(b) the issuer's policy on diversity in the workforce (including senior management) or a summary of the policy, including plans or measurable objectives the issuer has set for achieving gender diversity, including targets of at least 30% gender diversity in senior management by 2027 and progress on achieving those objectives including the aforementioned target. Where applicable, issuers may disclose any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant; and

(c) the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management).

Note: In this Corporate Governance Code, "senior management" refers to the same persons referred to in the issuer's annual report and required to be disclosed under paragraph 12 of Appendix D2.

Question 13

Do you agree with our proposal to require as a revised MDR separate disclosure of the gender ratio of: (i) senior management; and (ii) the workforce (excluding senior management) in the CG Report?

Yes

Please provide reasons for your views.

Yes. 30% Club has long advocated for diversity policies to be applicable across and issuer and for disclosure of these statistics.

Please do see our additional recommendations below, many of which we have previously submitted.

We would strongly recommend that HKEX consider expanding its Diversity Portal so these gender ratio statistics are visible and measurable across the whole market distinguishing between workforce and senior management. We recommend a target of 30% women in senior management by 2027 for all

issuers and that the aforementioned adjustments to the Diversity Portal include this aim and market tracking. 30% Club's mission is to aim for gender parity at board level and C-Suite. Many other markets now also measure gender ratio at senior management and C-Suite as part of overall commitments to gender diversity across issuers and a market. C-Suite and senior management ratios are also important as an indication of a pipeline for director appointments.

The following are the 30% Club's additional comments for HKEX's consideration:

- Low numbers of women in the workforce: Despite Hong Kong women graduating from universities in record numbers (54%) and the fact that women are entering the workforce in near equal numbers to men, we have a low female workforce participation rate of only 48% which is lower than many of our neighbours
- “Motherhood penalty” at work: According to a study released by the Equal Opportunities Commission in 2018, more than 50% of employers surveyed in Hong Kong stated they would not hire women with children. Due to caring responsibilities, lack of flexible work and gender biases, we see a significant drop off in women as they move through the workforce pipeline.
- Burden of care: 30% of Hong Kong working women drop out of the workforce due to caring responsibilities.
- Gender Pay Gap: Hong Kong's gender pay gap is 21.1%⁵ and wider than ten years ago and higher than Singapore and the UK.
- Sexual violence - 1 in 3 women in will experience sexual assault in her lifetime either at or outside the workplace.

Rates for women who experience sexual harassment at work range from 10%-80% depending on the industry with the F&B industry at the higher end of the spectrum. The 30% Club remains concerned about the level of underreporting by victims due to limitations in legal remedies, paucity of

workplace policies and procedures in place to support victims and also prevent cases of sexual harassment. Given the global #MeToo movement, this issue must remain high on Government, corporate, investor, civil society and employees' agendas.

For issuers, sexual harassment and assault in the workplace is a significant risk issue as it can significantly damage employees and wider employee morale. Sexual harassment cases can also raise significant reputational risk to issuers (including loss of shareholder value) particularly if an issuer has deficient policies and practices or if it does not treat complainants with fairness or takes no action against perpetrators.

- Lack of flexible work

Lack of flexible work arrangements in Hong Kong has been cited as one of the key barriers to developing the pipeline of female talent and leaders and despite flexible work being adopted during Covid-19 it remains to be seen if companies will adopt wholesale changes. Women have been disproportionately impacted by Covid-19 from additional care responsibilities, job losses in female dominated sectors and rising reports of domestic and sexual violence.

With increased focus and expectations by the community, investors and stakeholders on overall workplace diversity, board diversity and a rising focus on the role of companies in society and increased focus on ESG issues, these statistics highlight a significant risk to Hong Kong issuers. This is not only in terms of human capital risk but includes diversity and social risk overall which we believe should be addressed by the boards of Hong Kong issuers through the establishment of overall diversity policies, setting measurable objectives to achieving greater workforce diversity, and disclosing the make-up of their workforce at general, management, senior management and board level by gender. Other markets such as the U.K. and Australia have implemented similar wholesale approaches, guided by regulation, which has led to board gender diversity levels in both markets reaching approximately 30% without the need for quotas.

To address the systemic issues listed above, the #0% Club asserts that the first step is disclosure and transparency.

We further recommend disclosures on:

- Gender pay gap: Issuer to disclose its policies in relation to fair and equal payment of employees including a disclosure on the ratio of the remuneration by employee category by gender and disclosure of the mean and median pay gap across an issuer by gender.

- turnover and attrition rates by gender at each of general, management and senior management levels

- Disclosure on its anti-discrimination policies in relation to gender, age, race, marital status and sexual identity

- Flexible Work Practices: Issuer to disclose its approach to flexible work schedules and the extent to which these are offered to employees by the issuer and the uptake rate of flexible working arrangements by gender.

- Caring responsibilities: Issuer to disclose its initiatives and policies on maternity/paternity/parental/eldercare leave and other policies it has to support caregivers such as eldercare support. Issuer to also disclose its maternity/paternity/parental/eldercare and other leave return rates by gender.

- Sexual harassment: Issuer to disclose its initiatives to provide information, education and training on sexual harassment in the workplace and to disclose the total number of incidents of sexual harassment by gender and associated action taken.

- Suppliers/Products: Issuer to disclose its approach to assessing diversity and equality considerations including gender diversity in its supplier or procurement practices as well as product development and advertising including:

- a) the percentage of suppliers that have diversity particularly gender diversity policies or programmes
 - b) the percentage of suppliers that report on their

diversity policies and practices c) gender composition of supplier workforce including at management and Board level d) policies and practices the issuer has implemented in relation to non-discriminatory products, services and advertising.

Question 14

Do you agree with our proposal to codify the arrangements during temporary deviations from the requirement for issuers to have directors of different genders on the board as set out in draft Main Board Listing Rule 13.92(2) in Appendix I?

Yes

Please provide reasons for your views.

Yes, we agree, but there should be additional guidance on what the consequence should be for not managing to report on deviations from the requirement. Differential charging for renewal fees is a possible solution. We also recommend including all deviations on the Diversity Portal.

Question 15(a)

Do you agree with our proposal to emphasise in Principle D.2 the board's responsibility for the issuer's risk management and internal controls and for the (at least) annual reviews of the effectiveness of the risk management and internal control systems?

Yes

Please provide reasons for your views.

Yes, we agree with these proposals. In addition we recommend that the Board be required to disclose its view of material risks and how it manages or intends to manage such risks.

The 30% Club reiterates from previous submissions the importance of both whistle blowing and anti-corruption policies. We were pleased to see the requirement to establish such policies included in Principles D2.6 and D2.7. To further enhance the effectiveness of these policies we recommend that:

(1) Principle D2.6 be amended to include a requirement that the issuer disclose a whistleblowing policy, ensure the Board or a Committee of the Board is informed of material incidents reported under the policy and that the policy be reviewed on a regular basis and at least every two years; and

(2) Principle D2.7 be amended to include a requirement that the issuer disclose an anti-corruption policy, ensure the Board or Committee of the Board is informed of any breaches of the policy and that the policy be reviewed on a regular basis and at least every two years.

Question 15(b)

Do you agree with our proposal to upgrade the requirement to conduct (at least) annual reviews of the effectiveness of the issuer's risk management and internal control systems to mandatory and require the disclosures set out in MDR paragraph H?

Yes

Please provide reasons for your views.

Yes, we agree with these proposals. In addition we recommend that the Board be required to disclose its view of material risks and how it manages or intends to manage such risks.

The 30% Club reiterates from previous submissions the importance of both whistle blowing and anti-corruption policies. We were pleased to see the requirement to establish such policies included in Principles D2.6 and D2.7. To further enhance the effectiveness of these policies we recommend that:

(1) Principle D2.6 be amended to include a requirement that the issuer disclose a whistleblowing policy, ensure the Board or a Committee of the Board is informed of material incidents reported under the policy and that the policy be reviewed on a regular basis and at least every two years; and

(2) Principle D2.7 be amended to include a requirement that the issuer disclose an anti-corruption policy, ensure the Board or Committee of the Board is informed of any breaches of the policy and that the policy be reviewed on a regular basis and at least every two years.

Question 16

Do you agree with our proposal to refine the existing CPs in section D.2 of the CG Code setting out the scope of the (at least) annual reviews of the risk management and internal control systems?

Please provide reasons for your views.

Question 17

Do you agree with our proposal to introduce a new MDR requiring specific disclosure of the issuer's policy on payment of dividends and the board's dividend decisions during the reporting period?

Please provide reasons for your views.

Question 18

Do you agree with our proposal to introduce a Listing Rule requirement for issuers to set a record date to determine the identity of security holders eligible to attend and vote at a general meeting or to receive entitlements?

Please provide reasons for your views.

Question 19

Do you agree with our proposal to codify our recommended disclosures in respect of issuers' modified auditors' opinions into the Listing Rules?

Please provide reasons for your views.

Question 20

Do you agree with our proposal to clarify our expectation of the provision of monthly updates in CP D.1.2 and the note thereto?

Please provide reasons for your views.

Question 21

Do you agree with our proposal to align requirements for the nomination committee, the audit committee and the remuneration committee on establishing written terms of reference for the committee and the

arrangements during temporary deviations from requirements as set out in draft Main Board Listing Rules 3.23, 3.27, 3.27B, 3.27C and 8A.28A in Appendix I?

Please provide reasons for your views.

Question 22

Do you agree with the proposed implementation date of financial years commencing on or after 1 January 2025, with transitional arrangements as set out in paragraphs 182 to 183 of the Consultation Paper?

Please provide reasons for your views.