

Launch of the Board of Directors Survey 2022

11 November 2022

Opening Address by Su-Yen Wong, Chair, Singapore Institute of Directors

Good morning, ladies and gentlemen. Thank you for joining us for the launch of the Singapore Board of Directors Survey 2022.

The Survey – now in its 12th edition – provides a snapshot of corporate governance practices of listed company boards in Singapore, and is jointly published by the Singapore Institute of Directors and Singapore Exchange. Together with the Singapore Directorship Report, the Board of Directors Survey seeks to provide an overall understanding of the landscape of corporate governance and directorship in Singapore.

This year, the Survey has been repositioned for greater relevance to trends and developments in the business environment, and to provide a snapshot of how boards are responding to regulatory changes. For example, it seeks companies' views on how they intend to comply with the revised regulations on sustainability reporting and board diversity policies, as well as the Code of Corporate Governance and SGX Listing Rules with regard to tenure of independent directors.

The Singapore Board of Directors Survey is a collaborative effort, and I would like to thank our partners, PwC Singapore, Russell Reynolds Associates and Singapore University of Social Sciences, for helping with the design, formulation, revamp, launch, conduct and analysis of the survey. A special thank you goes to Handshakes, Boardroom and Tricor for their help with the dataset.

I would also like to extend a special thanks to Dr Chua Wei Hwa, Associate Professor of SUS who will be presenting the key findings of the survey; Mr Ng Wai King, member of the SID Governing Council and Chair of the Reports Committee who will be moderating the panel discussion; and our esteemed panelists – Mr Alvin Chiang from Russell Reynolds Associates, Ms June Sim from SGX, Mr David Toh from PwC Singapore, and Ms Annabelle Yip from WongPartnership. We are deeply appreciative of your contribution to, and support for, good governance.

I received an advance copy of the Survey a couple of days ago. As I turned the pages, the opening lines of Charles Dickens' historical novel, *A Tale of Two Cities*, kept playing on repeat.

Some of you may recall the lines. "It was the best of times, it was the worst of times... it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us."

You see, as I read the report, I was struck on the one hand by the progress we have made, and on the other hand, by the distance we have yet to go.

Let me highlight just two areas in brief, why this matters, and concrete actions that I hope all of us as directors of listed companies will commit to, as we have the opportunity to serve as role models for a broader ecosystem of organisations.

Number one, Board Development. First the good news is that two-thirds of respondents provide training for their directors. The bad news is that this figure stood at 77% back in 2019.

Why does this matter? Boards need to stay up-to-date as the environment in which we operate is increasingly complex and volatile.

What can directors do about this? Regardless of how experienced we may be, embrace lifelong learning, invest in professional development, and yes, check out the breadth of programmes on offer at SID.

Number two, Board Succession. The good news is that the proportion of companies who identify potential non-executive directors through executive search firms and SID's board appointment services is at an all-time high. The bad news is that this still stands at a mere 27% and 21% of respondents respectively. In contrast, 96% of respondents source applicants through personal contacts.

Why does this matter? Numerous academic and practice-led studies have demonstrated the importance of diversity. Engaging external sources helps expand our radar, as, simply put, we cannot possibly know every qualified candidate personally!

What can directors do about it? If you are looking to refresh your board, be intentional about the competencies required to guide the company, and complement the board's networks with candidates sourced independently. Speaking from personal experience, whenever I've either engaged an executive search firm, or utilised SID's Board Listing Service, the process has introduced my fellow directors and me to excellent candidates we would not otherwise have surfaced. If you'd like to learn more about SID's Board Listing Service, complimentary for a limited time, please approach any of the executive team who can point you in the right direction.

Back to A Tale of Two Cities.

At the end of the novel, amidst the French Revolution which continues to rage on, the hero who is about to be executed at the guillotine, optimistically predicts a future where his sacrifice will allow those for which he lays down his life to be peaceful, useful, prosperous, and happy.

And he closes by saying, 'It is a far, far better thing that I do than I have ever done; it is a far, far better rest that I go to than I have ever known.'

Serving as a director is far from easy. In fact, it's becoming more difficult. We have to worry about disruption, sustainability, cyber risks, diversity, geopolitics, the list is unending. And yet, I believe most of us would agree that it is a worthwhile endeavour. The two areas I've highlighted – board development and board succession – are critical to a board's ability to discharge its duties.

Alongside the rest of the analysis you will hear about today, I believe that if we collectively put our utmost effort into raising the bar, it will be "a far, far better thing that we do", because strong companies are fundamental to strong societies.

Thank you to each of you who has joined us this morning. We hope you leave this session inspired and energised as champions for good governance.