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Asia ex-Japan

The 2025 proxy season in Asia will be shaped by regulatory changes, evolving board diversity standards, and expanding ESG expectations. We continue to observe gradual evolution rather than radical shifts in these areas.

BOARD INDEPENDENCE

Board Independence and director elections vary significantly across countries. Regulatory reforms are evolving to address country-specific corporate structures.

China – Stricter independent director tenure limits

Taiwan – New board independence rules, requiring one-third independent directors by 2027.

Hong Kong – Implementation of nine-year cap on independent directors

Southeast Asia (Malaysia, Thailand, Indonesia, Vietnam) – Mixed progress in board independence regulations.

BOARD GENDER DIVERSITY

Gender diversity in Asia's corporate boards is improving with Hong Kong, Malaysia and Taiwan board diversity quotas. Challenges remain in achieving representation beyond regulatory mandates.

Hong Kong – Single-gender boards are no longer permitted

Taiwan – By 2025, one-third of board seats must be held by women.

Singapore & Malaysia – 30% gender diversity targets gaining momentum, though progress is uneven.

ESG REGULATION AND PROGRESS

Strong regulatory momentum around ESG reporting contrasts with rare shareholder resolutions on climate issues

Singapore – Leading in Scope 1 & 2 emissions reporting, with Scope 3 expected in 2026.

China – Pilot ESG disclosure regulations moving toward mandatory reporting by 2030.

Hong Kong – TCFD-aligned climate risk integration into financial disclosures.

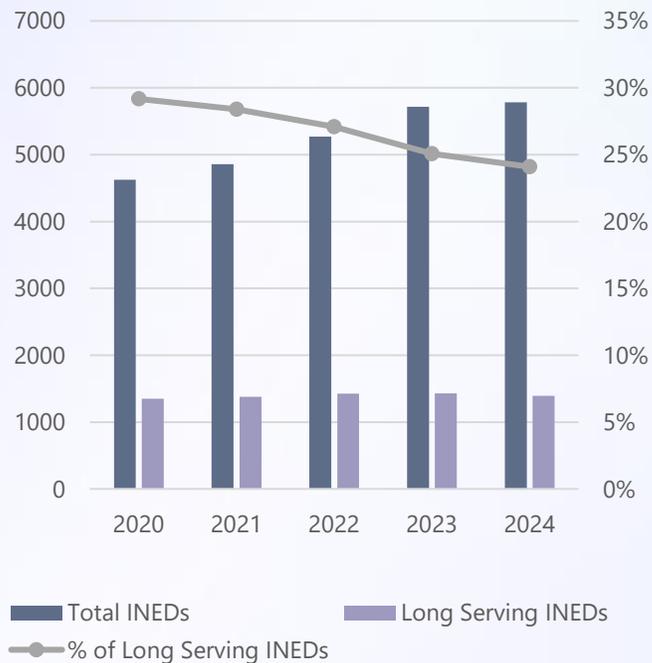
Malaysia – Adopting IFRS sustainability disclosure standards, staggered adoption from 2025

Asia ex-Japan Director Tenure

Long Serving Independent Directors

Unlike in Europe, where mandatory refreshment is common, many Asian firms still maintain long-serving independent directors. Asia ex-Japan regulatory reforms are evolving to address country-specific corporate structures not necessarily aimed at regional harmonization.

Long Serving INEDs in Hong Kong



Long Serving INEDs in Singapore



- Hong Kong will be imposing a nine-year cap on independent directors, after which a director would no longer be considered independent. The new cap will have a two-phase implementation over a six-year transition period, after which an issuer must not have any long serving independent director on board.
- Singapore is similar to Hong Kong with SGX Listing Rules stating that any director who has been an independent director of a listed issuer for more than nine years will no longer be considered independent. Based on ISS' Singapore coverage universe, the number of long-serving independent directors on SGX-listed boards is already declining.
- Taiwan has gone further, mandating that one-third of board seats must be independent by 2027, with limits on long-serving directors.
- China has established new regulations reducing the overboarding ceiling from five domestically listed companies to three.

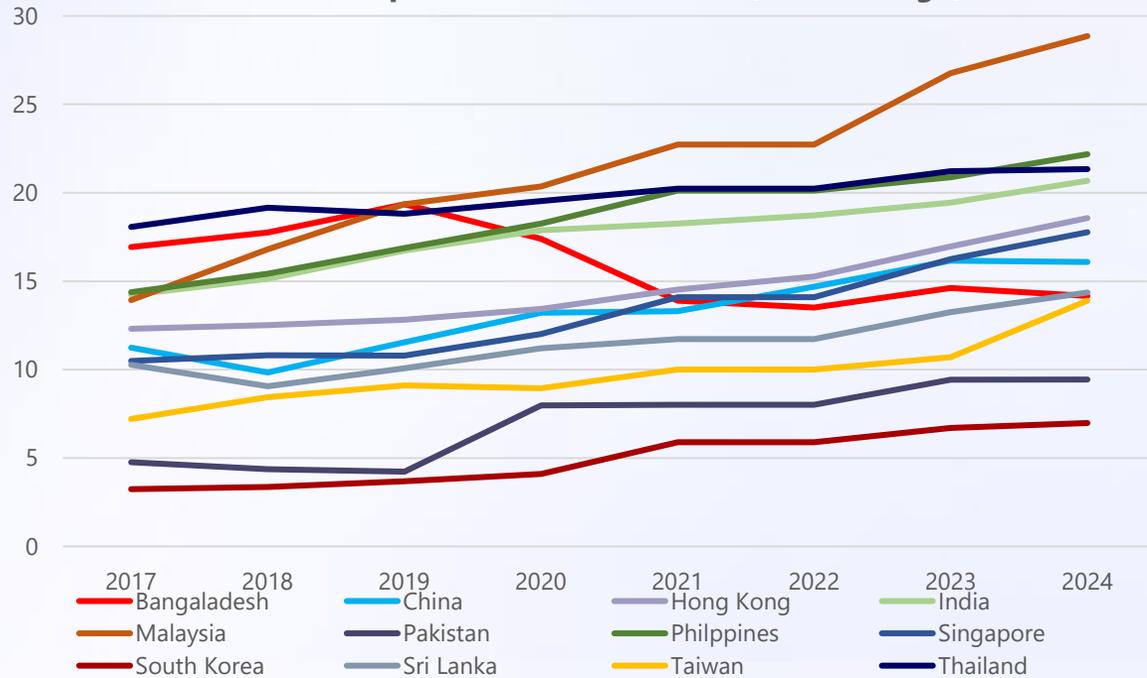
Source: ISS Governance Research & Voting

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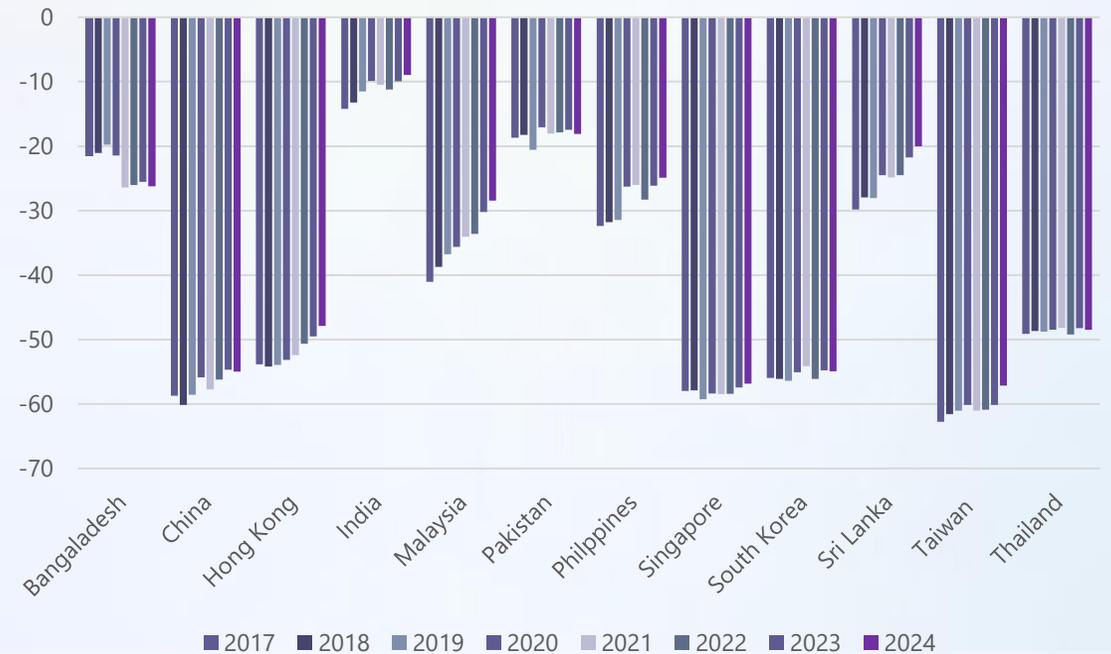
Asia ex-Japan Board Gender Diversity

Gender diversity in Asia’s corporate boards is improving. One important factor to keep in mind when discussing board diversity in Asia is that this region is far from homogenous. Female workforce participation rates vary widely, from over 60% in Singapore and Thailand to less than 25% in parts of South Asia. This naturally raises questions about how board diversity should be framed—should it be a universal target, or should it reflect the broader labor market and talent pipeline in each country?

Board Gender Diversity – Absolute Levels
Female Representation on Boards (ISS Coverage)



Gap Between Female Representation on Boards and Female Participation in the Economy



Source: ISS Governance Research & Voting

Asia ex-Japan ESG reporting requirements increasing

ESG considerations are becoming increasingly prominent in corporate governance across Asia. Singapore and China are clearly taking the lead in ESG reporting requirements.

Singapore's Scope 3 requirements could reshape ESG reporting across Asia. Unlike governance policies that remain market-specific, Scope 3 emissions reporting extends beyond borders—affecting supply chains, partnerships, and multinational operations.

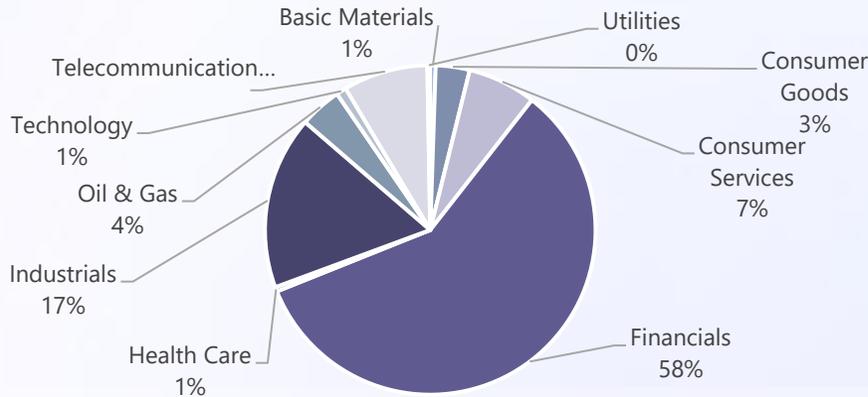
This could push companies across Asia to strengthen emissions transparency, creating momentum for broader ESG adoption beyond Singapore's immediate regulatory reach.

We will be closely watching investor impact and whether shareholder resolutions follow these regulatory reforms and engage more on climate transition plans.

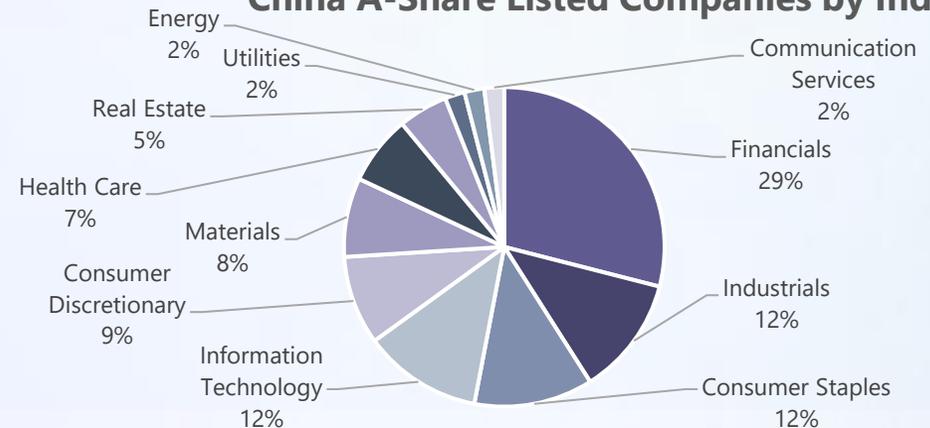
Share of Scope 3 Emissions in Total Emissions by Industry



SGX Listed Companies by Industry



China A-Share Listed Companies by Industry



Source: ISS Governance Research & Voting

Thank You

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