

September 2, 2021 Edited by: **Martin Wennerström**



Nike shareholders to vote on diversity proposal

Nike's upcoming AGM will consider shareholder proposals regarding diversity, pay equity, political spending and human rights, all of which are opposed by the board. Most notably, a proposal filed by nonprofit As You Sow is calling for the firm to annually report on the progress of diversity, equity, and inclusion (DE&I) programs, as well as their effectiveness as reflected by goals and metrics. The nonprofit noted that Nike publishes neither its "EEO-1" form covering standardized workforce demographic data nor "meaningful" data on the hiring and promotion of diverse employees. Nike's board has responded that the firm will start releasing the EEO-1 form as of 2021, while citing its 2025 target representation of 45% women at VP level globally, 30% racial and ethnic minority at director level and above in the U.S., and 35% racial and ethnic minority in the U.S. corporate workforce. The board had unsuccessfully requested the SEC to exclude the proposal from the ballot.

[Corporate Secretary](#) | [Nike](#) | [Bloomberg Law](#) | [Yahoo](#) | [SEC](#)

SEC imposes new rules on Chinese companies

The U.S. SEC will require Chinese companies listed in the U.S. to improve their disclosure on political and regulatory risks, specifically the use of offshore vehicles such as variable interest entities ("VIE") as well as risks arising from Chinese authorities interfering with company operations. Moreover, Chinese companies should inform investors that they "may never directly hold equity interests in the Chinese operating company." Last month, the regulator said it would halt new U.S. IPOs of Chinese companies until they increase transparency on these matters. In addition, according to a law enacted late last year, foreign companies that fail to comply with the Public Company Accounting Oversight Board's ("PCAOB") audits for three consecutive years will be barred from trading in the U.S.

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Crown Resorts appoints new Chairman

Casino giant Crown Resorts has appointed Ziggy Switkowski as its new Chairman, replacing Helen Coonan, who resigned from the company effective 27 August 2021. Switkowski was previously the CEO of Telstra Corporation and Optus. He is expected to join the board upon receiving probity clearance from state gambling regulators. Notably, Coonan's departure comes against the backdrop of the company being under inquiry from Victoria's Royal Commission and concerns over the cancellation of the firm's casino license. The counsel assisting the inquiry had reportedly called for Coonan and Xavier Walsh, the former CEO of Crown Melbourne, to be found unsuitable to work with Crown Melbourne.

[SMH](#) | [CR](#) | [Guardian](#) | [AFR](#) | [IAG \(1\)](#) | [IAG \(2\)](#)

UK regulator to enhance audit firm governance

The UK's Financial Report Council ("FRC") has opened consultations on its updated audit firm governance code. Inter alia, the regulator is calling for audit firms to separate the roles of board chair and managing/senior partner, establish criteria for board membership, strengthen the role and power of independent non-executive directors, and focus on long-term sustainability and firm-wide risk. The announcement came one day after the regulator imposed a GBP 3.5 million sanction on Ernst & Young over its FY2016/2017 audit of Stagecoach Group Plc. Notably, the FRC has recently stated that audits performed by audit firms are lagging expectations, while underscoring the need for change and improvements.

[FRC \(1\)](#) | [FRC \(2\)](#) | [Reuters](#) | [WSJ](#) | [Guardian](#)

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