



# 2019 Diversity Disclosure Practices

**Women in leadership roles at TSX-listed companies**

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# Introduction

In this, our fifth annual comprehensive report on diversity disclosure practices relating to women in leadership roles by TSX-listed companies, we highlight the achievement of some key benchmarks that reflect a collective commitment to increasing board diversity. This year we highlight for the first time some

examples of excellence in disclosure and we report on the number of board committees that are chaired by women. However, we continue to see almost no increase in the proportion of female executive officers. In addition, we note a gradual decline in the year-over-year rate at which women are being added to company boards.

Women now hold over 18.1% of board seats among companies disclosing the number of women on their boards, the highest proportion yet and a 50% increase compared to 2015 (when it was 12%). And among the S&P/TSX 60 companies women now hold 30% of the available board seats, a key goal of the 30% Club. But while women were appointed to over one-third of all newly created or vacated board seats, the year-over-year rate of increase in the proportion of board seats held by women is starting to slow – the increase was 2.5% from 2016 to 2017, 1.9% the following year and now only 1.7% compared to last year.

A majority of companies now disclose that they have adopted a board policy that specifically targets increases in the proportion of women directors and 22.5% of companies and a majority of S&P/TSX 60 companies have adopted targets for the proportion of women directors on the board, which is a 5% increase compared to last year.

As in previous years, our report provides an updated snapshot on the representation of leadership roles in corporate Canada and highlights best practices for improving gender diversity among boards and executive teams. We begin by looking at recent developments in diversity disclosure – noting in particular the increased focus on diversity characteristics beyond gender over the past year. We then summarize final results for the full 2018 calendar year and our results for the period January 1, 2019 to July 31, 2019, including a look at the corresponding data points back to 2015. Our report includes a sampling of best practices in fostering greater gender diversity disclosed by leading Canadian companies and we conclude with a chapter highlighting excellence in disclosure.

## Highlights



18.2%

**Women now hold 18.2% of all board seats among all companies** disclosing the number of women directors on their boards



30.2%

**Over 30% (30.2%) of board seats of S&P/TSX 60 companies** are held by women



**A majority (51.9%) of companies** disclosing whether or not they have **adopted a written diversity policy**

now state that their policy specifically targets the identification and nomination of women directors

Over three-quarters **(76.0%)** of all **companies have at least one female director**

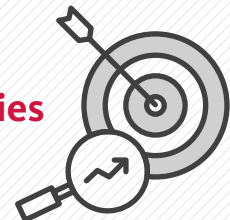


and more than **90% of S&P/TSX 60 companies** have **more than one woman director (38.7%** of all companies)



Women accounted for over one-third **(36.4%)** of the **total number of newly created or vacated board seats** over the previous year, up from 32.3% in the prior year

Few companies **(only 6.7%)** of **disclosing companies have adopted targets** for the proportion of female executive officers



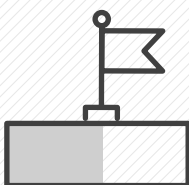
Consistent with last year, only **4.4% of companies have a female board chair,**



but at over a third **(33.4%)** of **companies a woman chairs at least one standing committee**



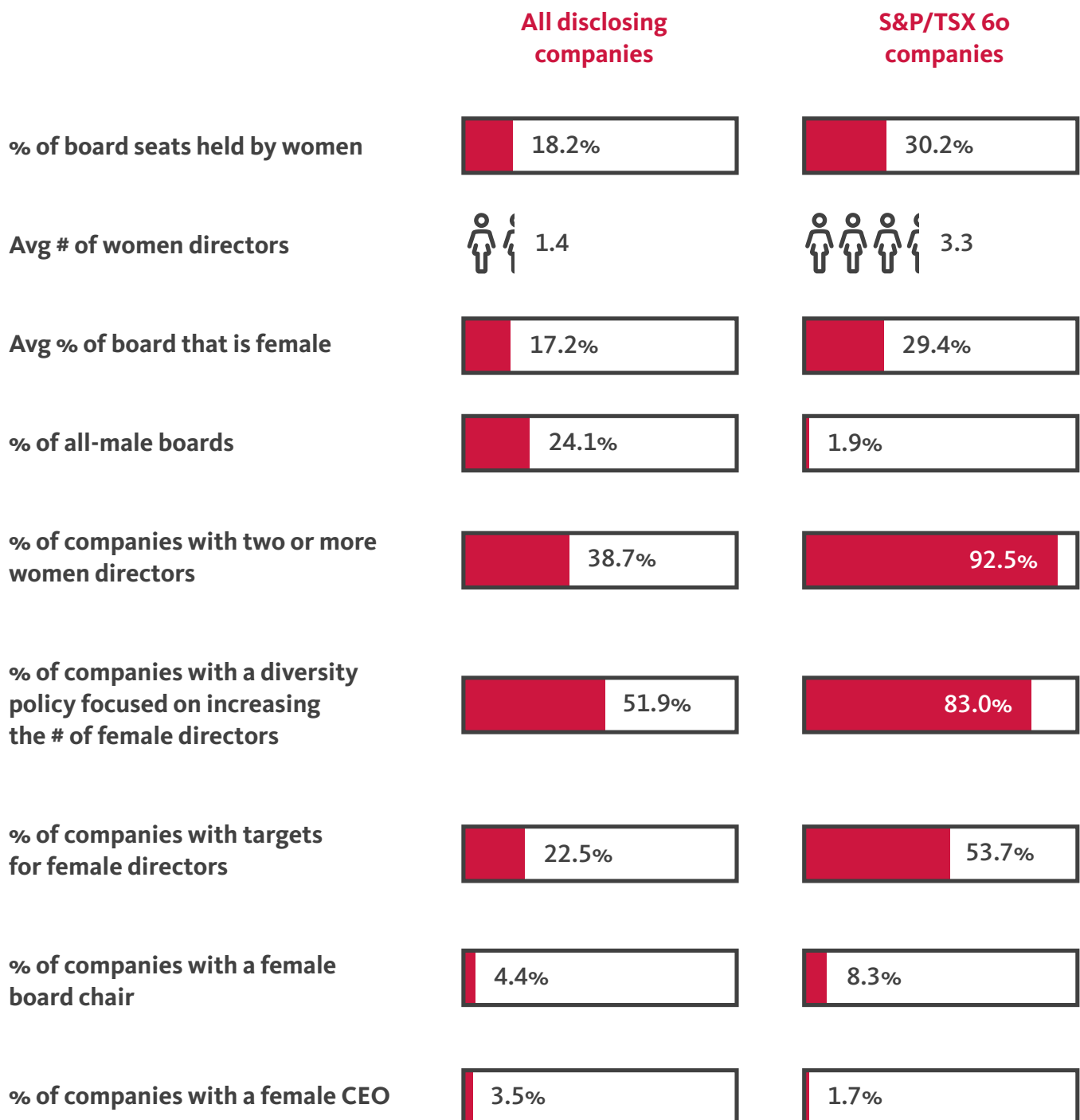
Only **3.5%** of companies have a **woman as CEO**



**A majority (52.7%) of S&P/TSX 60 companies have adopted a target** for the proportion of female directors on the board, compared to 22.5% of companies overall



Although the proportion of female board members among S&P/TSX 60 companies varies, women collectively hold 30.2% of the S&P/TSX 60 company board seats, aligning with a key goal of the 30% Club.





# Developments in diversity: Diversity and disclosure beyond gender

Since our last report, the push to make gender diversity a priority in corporate boardrooms has continued unabated. There are signs that the changes at the public company board level are gaining traction, although there is limited progress at the executive level. For example, in the U.K. women represent 30.2% of the FTSE 100 boards,<sup>1</sup> in Australia the ASX200 boards have almost achieved a target of 30% women<sup>2</sup> and in the U.S. there are no longer any all-male boards among the S&P500 companies.<sup>3</sup> The conversation is also evolving into consideration of diversity characteristics beyond gender – a growing area of focus among regulators and, increasingly, among institutional shareholders.

## Strong interest in gender diversity continues

There continues to be strong interest in gender diversity, and the topic continues to receive significant attention from institutional investors and regulators and in research and industry publications. We have set out below some of the main themes and developments over the past year.

### **INSTITUTIONAL SHAREHOLDERS**

Investor support for increased diversity in public company boardrooms and management teams substantially accelerated in 2017, as exemplified by the unveiling of the “Fearless Girl” statue on Wall Street by State Street Global

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<sup>1</sup> <https://ftsewomenleaders.com/wp-content/uploads/2018/11/HA-Review-Report-2018.pdf>

<sup>2</sup> <https://www.smh.com.au/business/companies/29-7-per-cent-is-not-30-per-cent-companies-almost-hit-gender-target-20190128-p50u54.html>

<sup>3</sup> <https://www.cnn.com/2019/07/25/success/copart-woman-sp-500-board/index.html>



Advisors (SSGA), and institutional investors are taking an increasingly harder look at companies that lag behind.

After allowing for a transition period, proxy voting standards on gender diversity by proxy advisory firms applicable to TSX-listed companies have increased the impetus for change.

Starting this year, Institutional Shareholder Services (ISS) began applying its guidelines to all TSX-listed companies, instead of just the S&P/TSX companies. Under its guidelines, ISS will generally recommend withhold votes for the chair of the board committee that is responsible for director nominations, or chair of the board of directors if there is no such committee where (1) the issuer has not disclosed a formal written gender diversity policy and (2) there are no female directors on the board of directors. ISS takes the view that to be considered a written gender diversity policy, the policy should include (i) a clear commitment to increase board gender diversity (and boilerplate or contradictory language may result in withhold recommendations for directors) and (2) measurable goals and/or targets denoting a firm commitment to increasing board gender diversity within a reasonable period of time.

ISS also states that when determining a company's commitment to board gender diversity, consideration will be given to the board's disclosed approach to considering gender diversity in executive officer positions and stated goals, targets, or programs and processes for advancing women in executive officer roles, and how the success of such programs and processes is monitored.

Under its updated Socially Responsible Investing and Catholic Faith-Based proxy voting policies, ISS will recommend against the incumbent governance committee members if the board does not have at least one woman director and one ethnic minority director and is not at least 30% diverse.

Also effective in 2019, Glass Lewis' proxy voting guidelines state that it will generally recommend voting against the nominating committee chair of a board that has no female members, and that it may recommend against issuers that have not adopted a formal written diversity policy without sufficient disclosed mitigating factors.

Consistent with this trend, large Canadian institutional investors have also updated their proxy voting guidelines to reflect a more emphatic approach to diversity, including

- **Ontario Teachers' Pension Plan (OTPP)** – Last year, our report noted that in February 2018, OTPP updated its proxy voting guidelines to state that in order to encourage gender diversity on boards, it supports a minimum of three women on a board. In its 2019 guidelines, OTPP states that starting in 2019 it would take voting action and would consider not supporting the chair of the governance and/or nomination committee or other members of the committee in situations where it concludes there is insufficient representation of women directors and the board does not adequately describe their approach to gender diversity. In addition, the board's approach or explanation should specifically address a commitment and either a goal or target.

- **Canada Pension Plan Investment Board** – On December 21, 2018, the Canada Pension Plan Investment Board announced that it would establish a policy to vote against the chair of the nominating committee of its investee public companies if the board has no women directors.
- **Ontario Municipal Employees Retirement System (OMERS)** – The updated OMERS proxy voting guidelines state that it may vote against or withhold its vote for the chair of the nominating committee if a company’s board lacks sufficient diversity, taking into consideration the size of the board, normal practices within the jurisdiction where the company is located, and length of time a company has been publicly listed.
- **British Columbia Investment Management Corp. (BCI)** – The updated BCI proxy voting guidelines state that it will vote against the chair of the nomination/governance committee if a board lacks adequate female representation unless there is a legitimate rationale or plan to address this gap going forward. Further, BCI expects a minimum of either three female directors, or 25 per cent of the board, to be represented by females, which threshold will increase over time to align with its commitment to the 30% Club.
- **Public Sector Pension Investment Board (PSPIB)** – The PSPIB proxy voting guidelines state that it may vote against or withhold its vote for the election of members of the nominating committee or, in the absence of a nominating committee, the chair of the board where (1) there is not at least one woman being proposed for election to the board of directors; or (2) diversity is generally lacking and the company has failed to adopt credible policies or targets to increase diversity.
- **Alberta Investment Management Corp. (AIMCo)** – AIMCo’s proxy voting guidelines state that it may, subject to discretion, vote against or withhold its vote from the chair and/or members of the nominating committee or another relevant board director in developed country markets where the issuer exhibits low levels of board gender diversity such as where there are fewer than 20% female directors, no stated commitments to achieve gender diversity, and/or where the company has not improved its board gender diversity year over year.
- **Healthcare of Ontario Pension Plan (HOOPP)** – Where a board has less than two female directors, HOOPP’s proxy voting guidelines state that it will consider voting against or withholding its vote from the chair of the nominating committee, or the entire nominating committee, unless the board has a robust public policy on gender diversity or a robust public policy on board renewal that addresses gender diversity.
- **OPSEU Pension Plan Trust Fund (OP Trust)** – Under its proxy voting guidelines, OP Trust will vote against the chair of the nomination/governance committee if a company has less than 30% women on the board and either does not disclose its policy on diversity or that policy does not outline the company’s plan to achieve that target in a reasonable period of time.

Canadian companies have received only three shareholder proposals on diversity over the last couple of years. As reported on the shareholder proposal database of the Shareholder Association for Research & Education (SHARE), shareholder proposals on gender diversity were submitted in 2018 to Constellation Software Inc., where it received 49.16% support, and to FirstService

On December 21, 2018, the Canada Pension Plan Investment Board announced that it would establish a policy to vote against the chair of the nominating committee of its investee public companies if the board has no women directors.



Corporation, although it was not voted on. In 2019, a proposal was submitted to Waste Connections Inc., where it received 64.49% support. In contrast, research by ISS indicated that between January and May of this year, U.S. companies received 55 shareholder proposals relating to gender diversity on boards.<sup>4</sup>

## REGULATORY DEVELOPMENTS OVER THE PAST YEAR

The past 12 months have also seen further regulatory developments in respect of gender diversity, especially in the United States – which has lagged behind most Western countries in adopting rules to require diversity disclosure or compliance with mandated quotas.

U.S. initiatives over the last year include

- A new Compliance and Disclosure Interpretation (C&DI) issued by the U.S. Securities and Exchange Commission in February 2019 providing guidance for disclosing diversity matters considered by the board in assessing its composition in an issuer’s proxy statements and other relevant disclosure documents. The guidance applies to diversity characteristics that are self-identified by individual directors or nominees for election as directors “such as their race, gender, ethnicity, religion, nationality, disability, sexual orientation or cultural background” and that are also considered by the board in assessing its composition. It also provides that disclosure relating to the board’s process for identifying new director candidates should include a discussion of how those self-identified diversity characteristics are considered, together with any other characteristics or qualifications covered by the board’s diversity policy.
- On September 30, 2018, the State of California became the first U.S. state to require female representation on corporate boards. Under the legislation, public companies listed on a major U.S. stock exchange with their principal executive offices in California must have at least one woman on their boards by the end of this year, with a further target that by the end of 2021 if the company has five directors, two would need to be women and if it had six or more directors, three would need to be women.
  - Based on the initial report of the California Secretary of State, compliance with these requirements appears low (184 of 537 companies subject to the requirement have complied) but commentators have noted that the list does not appear to be complete and so the reporting may be a work in progress.<sup>5</sup>
  - Legislation similar to the California statute was proposed in early 2019 in the State of New Jersey,<sup>6</sup> the Commonwealth of Massachusetts<sup>7</sup> and the State of New York<sup>8</sup> and is still in progress.
- In August 2019, the Governor of the State of Illinois signed a new law that will require many public companies that are organized or have their principal executive officers in Illinois to provide disclosure in the corporation’s annual report filed with state regulators relating to matters including the qualifications,

On September 30, 2018, the State of California became the first U.S. state to require female representation on corporate boards.

<sup>4</sup> <https://www.issgovernance.com/library/early-review-of-2019-us-proxy-season-vote-results/>

<sup>5</sup> <http://www.mondaq.com/unitedstates/x/825544/Securities/California+Secretary+Of+State+Publishes+Report+About+SB+826+Californias+New+Board+Gender+Diversity+Mandate>

<sup>6</sup> <https://www.billtrack50.com/BillDetail/1070641>

<sup>7</sup> <https://malegislature.gov/Bills/191/S1879>

<sup>8</sup> <https://www.nysenate.gov/legislation/bills/2019/s.4011>

skills and experience that is considered by a corporation in assessing board composition and executive officer appointments.<sup>9</sup> The law also requires disclosure of the self-identified gender of each director and whether they self-identify as a minority person and a description of the policies and practices of the corporation for promoting diversity, equity and inclusion among directors and executive officers. The original bill included mandatory quotas similar to the California legislation referred to above, but those were removed prior to the bill being passed by the State legislature in June.

- Two bills on diversity were introduced in the U.S. Congress this year. The first, the *Improving Corporate Governance Through Diversity Act of 2019*, would require public issuers to disclose to shareholders annually, based on voluntary, self-identified data, the gender, race, ethnicity and veteran status of their directors, director nominees and senior executive officers and whether the issuer has a policy, plan, or strategy to promote racial, ethnic, and gender diversity.<sup>10</sup> The second, the *Diversity in Corporate Leadership Act of 2019*, would require the SEC to establish rules requiring each issuer to disclose to their shareholders the gender, racial, and ethnic composition of the issuer's board of directors and director nominees.<sup>11</sup>

In the U.K.:

- The Hampton-Alexander Review,<sup>12</sup> an independent, business-led initiative supported by the U.K. government, provided its third annual report on diversity among the FTSE 350 companies in November 2018. The Hampton-Alexander Review had previously established targets of 33% representation of women on the boards of the FTSE 350 companies and among certain groups of senior executive officers by the end of 2020. The report found that the FTSE 100 companies are on track to meet the target for board representation, having achieved a level of 30.2% female directors for 2018. However, at 26.7% female directors, the overall picture for the FTSE 350 companies is not as strong. In particular, 76 of the overall FTSE 350 group of companies had no more than one female director on the boards at the date of the report. The Hampton-Alexander Review also reported that increases in the representation of women among senior executive officer positions has not kept up, stating that “a step change is needed in pace.”
- Last year, the *Corporate Governance Code* (the Code) promulgated by the United Kingdom's Financial Reporting Council was amended to include a general principle that both appointments and succession plans should be based on merit and objective criteria and, within that context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Code also states that companies should report annually on its diversity and inclusion policy, its objectives, its linkage to company strategy, how it has been implemented and progress on achieving the objectives outlined in the policy.

In Canada, effective January 1, 2020, corporations governed by the *Canada Business Corporations Act* (CBCA) with publicly traded securities will be required to provide shareholders with information on the corporation's policies and practices related to diversity on the board of directors and within senior management.

<sup>9</sup> <http://www.ilga.gov/legislation/billstatus.asp?DocNum=3394&GAID=15&GA=101&DocTypeID=HB&LegID=119985&SessionID=108>

<sup>10</sup> <https://www.congress.gov/bill/116th-congress/house-bill/1018> and <https://www.congress.gov/bill/116th-congress/senate-bill/360>

<sup>11</sup> <https://www.congress.gov/bill/116th-congress/house-bill/3279/text>

<sup>12</sup> <https://ftsewomenleaders.com/wp-content/uploads/2018/11/HA-Review-Report-2018.pdf>

In Canada, effective January 1, 2020, corporations governed by the Canada Business Corporations Act (CBCA) with publicly traded securities will be required to provide shareholders with information on the corporation's policies and practices related to diversity on the board of directors and within senior management. The new requirements will extend the range of companies required to provide diversity disclosure since, unlike the Canadian securities law Diversity Disclosure Requirement, these requirements apply even to smaller venture issuers that are not currently subject to gender diversity disclosure requirements. In addition, the CBCA will require publicly traded CBCA companies to provide diversity disclosure with respect to the categories of Canadian Aboriginal persons, members of visible minorities and persons with disabilities.

In May 2019, Statistics Canada provided data on gender composition of corporate boards of all types in Canada. The report is based on data from 2016 and so is perhaps somewhat dated, but it finds that women represent almost 20% of directors of companies of all types – government business enterprises (28.0% women directors), publicly listed companies (20.5%) and private companies (17.4%). Of these corporations, Statistics Canada reported that 28.0% had one woman on their boards, 15.2% had more than one woman while a significant 56.8% of boards were comprised entirely of men, though these data appear skewed by the significant underrepresentation of women among companies with a single director (only 14.6% of which were women).

#### **The next step: Diversity beyond gender**

Consistent with the evolving trend we have discussed in our previous reports, it is clear that the conversation regarding diversity has now evolved beyond a focus solely on gender to include other diversity characteristics. Several of the regulatory initiatives described above address a range of diversity characteristics beyond gender. And Canada is leading the way. As a result of the changes to the CBCA, Canada has become the first jurisdiction worldwide to require diversity disclosure beyond gender; Diversity disclosure rules will apply to federally incorporated public companies effective January 1, 2020.

Effective January 1, 2020, CBCA companies will be required to provide diversity disclosure with respect to the representation of women, as well as with respect to the representation of each of Aboriginal persons, persons with disabilities, and members of visible minorities, plus any other group the corporation wishes to include in its designated groups, including identifying the number and percentage of members of each such designated group on the board and in senior management, any target level of representation adopted for that group and, if no target has been adopted for a particular group, an explanation of why not.

In April of this year, the U.S. Thirty Percent Coalition launched letter-writing campaign asking companies in the S&P 1500 asking them to consider the value of adding women of color to their boards.

The CBCA will require publicly traded CBCA companies to provide diversity disclosure with respect to the categories of Canadian Aboriginal persons, members of visible minorities and persons with disabilities.

This trend is also being reflected in research and other industry publications, including

- the annual report card from the Canadian Board Diversity Council, which reported in its 2018 annual update based on company responses to its survey that 5.9% of director positions were held by visible minorities, 0.8% were held by indigenous persons and 0.8% were held by persons with disabilities in 2018; and
- a 2019 report by Deloitte and the Alliance for Board Diversity,<sup>13</sup> which considered the progress up to June 30, 2018 in the representation of women and minorities on corporate boards in the U.S., noting that in general advancement is still slow and the changes are still not representative of the broad demographic transformations that have been seen in the U.S.

There is certainly room for improvement in this regard, as recent research indicates that, although approximately 32% of new directors at companies in the U.S. Russel 3000 Index were women in 2018, only half that number were members of ethnic minorities (representing only approximately 16% of new directors of those companies).<sup>14</sup> We are not aware of corresponding figures for Canada, but these statistics nonetheless suggest that the focus on this broader conception of diversity in the boardroom and among executive officers across jurisdictions is likely to continue for the foreseeable future.

Overall, we think that this evolution is a positive one. As we have noted in a [previous publication](#), boards today are increasingly being called upon for bolder thinking coupled with greater foresight and self-awareness. After a slow start, they have come to appreciate the value that greater representation of women brings to the board. Making a conscious effort to broaden that talent pool further, to include individuals with other diversity characteristics that reflect a broader cross-section of the population, is a practice that is as sound as it is appropriate.

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<sup>13</sup> Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards <https://www2.deloitte.com/us/en/pages/center-for-board-effectiveness/articles/missing-pieces-for-tune-500-board-diversity-study-2018.html>

<sup>14</sup> <https://www.reuters.com/article/us-usa-directors-diversity/diversity-in-the-man-cave-boardrooms-gain-women-as-minorities-lag-idUSKCN1Q2oE8>

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## Our methodology

### METHODOLOGY AND DATA SET

The data presented in this report was obtained by surveying public disclosure documents filed by all TSX-listed companies that are subject to the Diversity Disclosure Requirement.

- In reporting on disclosure for full-year 2018, we reviewed disclosure documents provided by 820 TSX-listed issuers that were not investment funds as of July 31, 2018. Of those companies, 757 provided disclosure wholly or partially in compliance with the Diversity Disclosure Requirement. We excluded 62 companies from our analysis because they were prescribed foreign issuers, exempt from disclosure or wholly non-compliant with the Diversity Disclosure Requirement.
- For 2019, there were 797 TSX-listed issuers that were not investment funds as at July 31, 2019. Of those companies, 685 had provided full or partial diversity disclosure by that date and 56 were expected to file later in 2019. We excluded 56 companies from our analysis – 44 because they were prescribed foreign issuers, newly listed or otherwise exempt from disclosure in 2019 and 12 that were wholly non-compliant with the Diversity Disclosure Requirement.
- For comparison purposes to highlight year-over-year progress, we compared data for all companies subject to the Diversity Disclosure Requirement in the January 1 to July 31 period of each of 2015, 2016, 2017, 2018 and 2019, respectively, rather than limit our results solely to companies that were subject to the requirement in all four periods. This approach provides a close approximation of the results for full-year 2017 and 2018, as more than 90% of the relevant companies filed their disclosure by July 31 of the applicable year, and our final results for full-year 2017 and 2018, respectively, approximate the results we have previously reported for the January 1 to July 31 comparison period for those years. Although there is potential for some variation as a result of changes in the composition of the relevant lists from year to year, given the sample size and the objective of testing the disclosure practices of such companies as a group, rather than on an individual basis, we did not regard this variation as material to our results.
- For each data point provided in this report, the percentages are calculated as a percentage of the total number of companies that provided disclosure on the disclosure item in question. Because the Diversity Disclosure Requirement does not specify, we accepted disclosure that was provided in respect of either the

National Instrument 58-101 Disclosure of Corporate Governance Practices (NI 58-101) requires disclosure respecting the representation of women on boards and in executive officer positions (Diversity Disclosure Requirement). Pursuant to the Diversity Disclosure Requirement, Canadian reporting companies other than TSX Venture Exchange companies, exchange-traded funds, closed-end funds and structured notes are required to provide gender diversity disclosure.

current board or the proposed director nominees and, in those cases where disclosure was provided for both, we based our analysis on the disclosure provided in respect of the board being nominated for election at the shareholders' meeting in question. A similar approach was adopted with respect to disclosure relating to executive officers.

In addition to our year-over-year comparison, we provide a selection of comparative data for companies included in the S&P/TSX 60 Index to provide insight on practices of Canada's largest companies. We refer to such companies in the report as the "S&P/TSX 60 companies." For 2019, 54 S&P/TSX 60 companies had filed their management information circular or annual information form (as applicable) on or prior to July 31, 2019, with the remaining six scheduled to file after the July 31, 2019 cut-off.

In last year's report, we began calculating the number and percentage of women appointed to fill vacancies or nominated to fill new positions on boards of directors by identifying the number of directors being nominated for election for the first time at each company that provided full or partial diversity disclosure and the number of those nominated directors who were women. We also included data regarding the number and percentage of companies that provided full or partial diversity disclosure who have a woman as the chief executive officer and/or the chair of the board of directors. For this year's report, we have expanded our data collection to include the number of female board chairs at each company providing full or partial diversity disclosure to provide further insight on the role of women in board leadership positions.

## THE DIVERSITY DISCLOSURE REQUIREMENT

The Diversity Disclosure Requirement requires disclosure of the following:

- whether or not the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, it must disclose why it has not done so. If an issuer has adopted a policy, the issuer must disclose:
  - a short summary of its objectives and key provisions
  - the measures taken to ensure that the policy has been effectively implemented
  - annual and cumulative progress by the issuer in achieving the objectives of the policy; and
  - whether, and if so how, the board or its nominating committee measures the effectiveness of the policy
- whether the issuer considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If so, the issuer must disclose how, and if not must disclose its reason for not doing so
- whether the issuer considers the level of representation of women in executive officer positions when making such appointments. If so, the issuer must disclose how, and if not must disclose its reason for not doing so
- whether the issuer has adopted a target regarding the appointment of women to the board. If so, the issuer must disclose the target and the annual and cumulative progress of the issuer in achieving the target. If not, the issuer must disclose the reason for not doing so
- whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If so, the issuer must disclose the target and the annual and cumulative progress of the issuer in achieving the target. If the issuer has not adopted a target, it must disclose why it has not done so
- the number and percentage of women on the issuer's board of directors
- the number and percentage of the issuer's women executive officers, including among all major subsidiaries of the issuer





## 2018 full-year results

### WOMEN ON BOARDS IN 2018

For the full year ended December 31, 2018, 726 companies disclosed the number of women on their boards. For these 726 companies, we counted a total of approximately 5,687 board seats, of which 934 were held by women. Based on these results, women held 16.4% of the total board seats among companies providing disclosure, representing an increase of approximately 1.9% compared to full-year 2017. For the S&P/TSX 60 companies, these figures were 667 and 194 for full-year 2018, representing approximately 29.1% of the total board seats among the 60 members of the S&P/TSX 60 providing disclosure, and representing a meaningful increase of approximately 3.3% compared to full-year 2017. Our numbers for the 726 companies disclosing the number of women on their boards are generally lower than the percentage of seats reported to be held by women in leading jurisdictions outside of Canada, and the 27.0% reported for Canada in the most recent MSCI “Women on Boards” report and other similar reports.<sup>1</sup> This is because these reports tend to limit their sample to larger companies that typically have better performance in these areas. It is therefore unsurprising that our findings for the S&P/TSX 60 companies more closely reflect the numbers reported in these other reports.

On a company-by-company basis, based on the data reported by these 726 companies, there was an average of 1.29 women on these boards, while the 721 companies that disclosed the percentage of women on their boards had an average of approximately 14.9% of women directors, representing an increase from the corresponding full-year 2017 figures of 1.13 and 13.0%, respectively.

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<sup>1</sup> This report can be found at [https://www.msci.com/documents/10199/239004/MSCI\\_Women+on+Boards+Progress+Report+2017.pdf/b7786ao8-c818-4054-bf3f-ef15fc89537a](https://www.msci.com/documents/10199/239004/MSCI_Women+on+Boards+Progress+Report+2017.pdf/b7786ao8-c818-4054-bf3f-ef15fc89537a).

Of the 726 companies disclosing the number of women directors on their boards, 230 (31.7%) reported having no women on the board, a significant improvement from 37.3% in 2017. A total of 255 companies (35.1%) had one woman director (representing a small increase from the 34.2% reporting for 2017), and 241 (33.2%) reported having more than one woman on their boards (up from 28.4% in 2017). At six companies (Cogeco Communications Inc., Diversified Royalty Corp., DREAM Unlimited Corp., MCAN Mortgage Corporation, Pizza Pizza Royalty Corp., and Saputo Inc.) women held 50% or more of the board seats.

FIGURE 1: PROPORTION OF BOARD SEATS HELD BY WOMEN

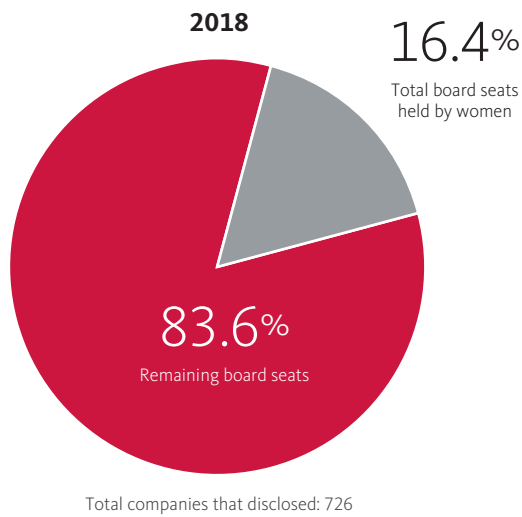
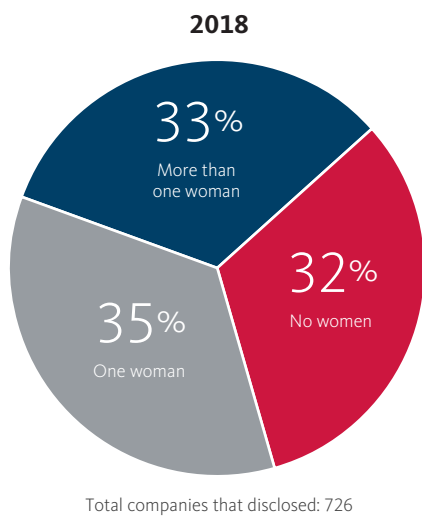


FIGURE 2: PROPORTION OF WOMEN DIRECTORS



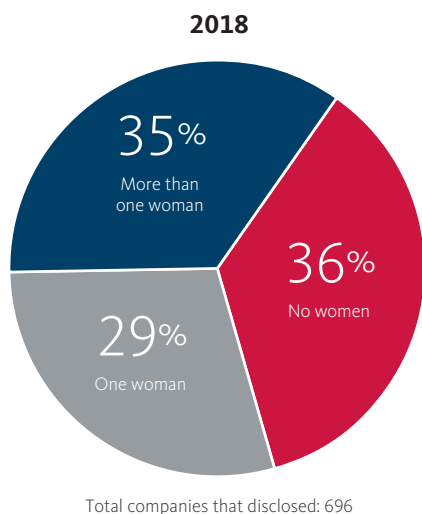
### WOMEN EXECUTIVE OFFICERS IN 2018

For full-year 2018, 696 companies disclosed information regarding the number of women executives employed by them, and 665 disclosed the percentage of their executive officers that are women. Companies that disclosed the number of women executives reported an average of 1.72 women executives and a total of 1,194 executive officer positions held by women. Among those that disclosed the percentage of women executives, an average of 16.0% of executive officer positions were held by women. These numbers show a modest increase compared to our full-year 2017 results, with respect to both the average number of women holding executive officer positions (up 0.29 from 1.43 for full-year 2017) and the average percentage of such positions held by women (up approximately 0.7% from 15.3% for full-year 2017).

Of the 696 companies that disclosed the number of their women executive officers in full-year 2018, 251 (36.1%) reported having zero women executive officers, 204 (29.3%) reported having one woman executive officer, and 241 (34.6%) reported having more than one woman executive officer. This represents a decrease in companies having zero women executive officers (down from 40.1% in 2017) and an increase in companies having more than one woman executive officer (up from 30.8% in 2017).

A significant proportion of companies reported whether they take gender into account when identifying and appointing executive officers, with 522 of 715 (or 73.0%) companies reporting in full-year 2018 indicating that they did so (up from 70.7% in 2017).

FIGURE 3: PROPORTION OF WOMEN EXECUTIVE OFFICERS



### BREAKDOWN BY INDUSTRY FOR FULL YEAR 2018

As demonstrated in Figures 4 and 5, the industries with the highest number and percentage of women directors in 2018 were Utilities & Pipelines, Communications & Media, Consumer Products & Services, and Industrial Products & Services, while Real Estate, Forest Products & Paper, Consumer Products & Services, and Communications & Media reported the highest number and percentage of women executive officers.

FIGURE 4: INDUSTRY BREAKDOWN OF NUMBERS AND PERCENTAGES OF WOMEN DIRECTORS

2018

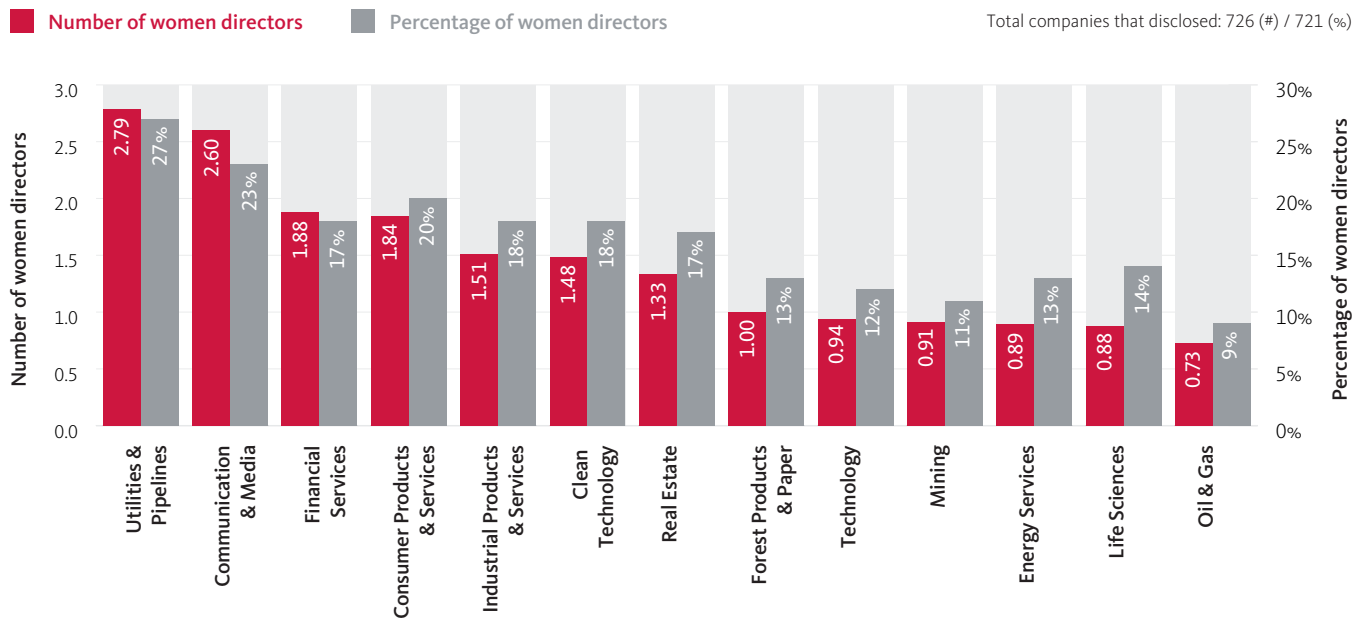
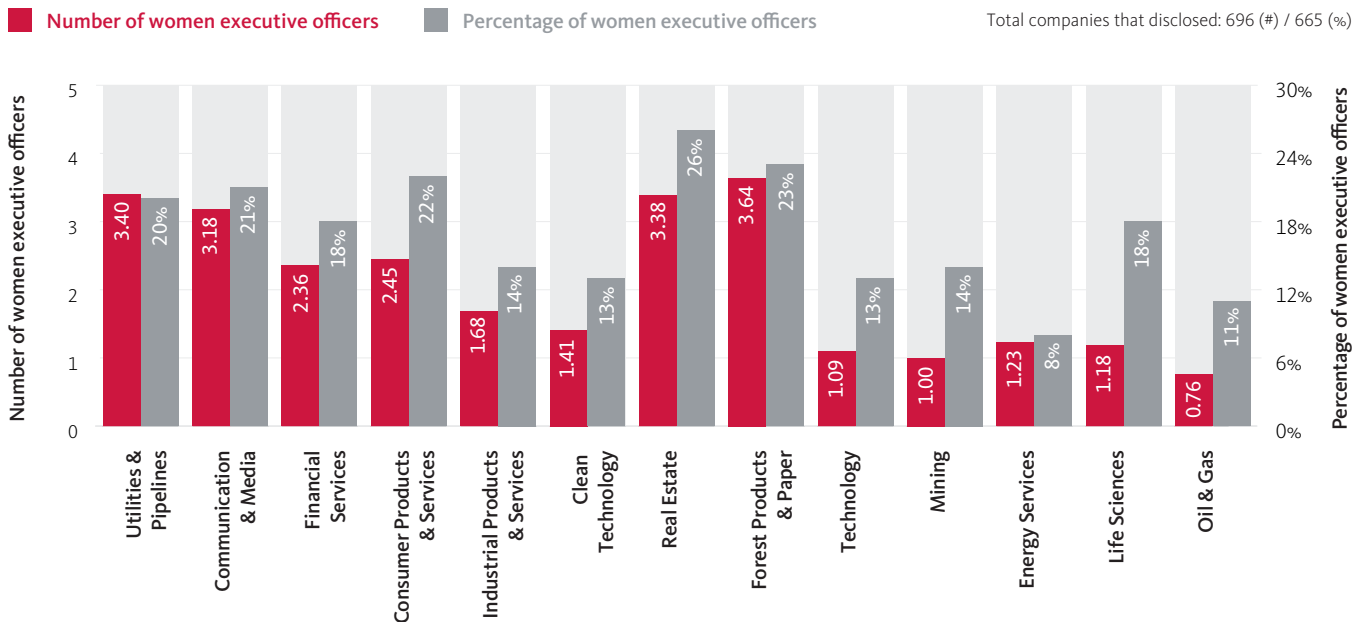


FIGURE 5: INDUSTRY BREAKDOWN OF NUMBERS AND PERCENTAGES OF WOMEN EXECUTIVE OFFICERS

2018

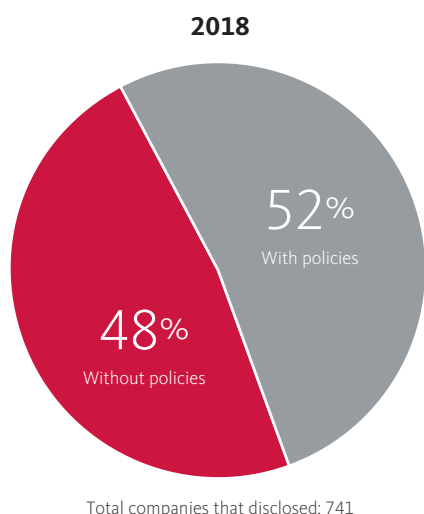


**DIVERSITY POLICIES AND TARGETS FOR FULL-YEAR 2018**

In 2018, companies remained far more willing to adopt board diversity policies than they were to adopt targets for the proportion of women serving as directors or for the proportion of women executive officers. Of the 741 companies that provided disclosure regarding the existence (or not) of a written board diversity policy, 385 (52.0%) of those companies had a board diversity policy. As shown in Figure 6, this represents an approximately 7.0% increase from 2017, when only 45% of those disclosing had, in fact, adopted such a policy.

Of the 732 companies that provided board diversity target disclosure in 2018, only 127 (17.4%) adopted a target for women directors. Only 47 companies (6.6% of the 711 companies reporting) adopted a target for women executive officers in 2018. These results are illustrated by Figures 7.1 and 7.2. These numbers represent an increase of 5.3% and 3.3%, respectively, from full-year 2017.

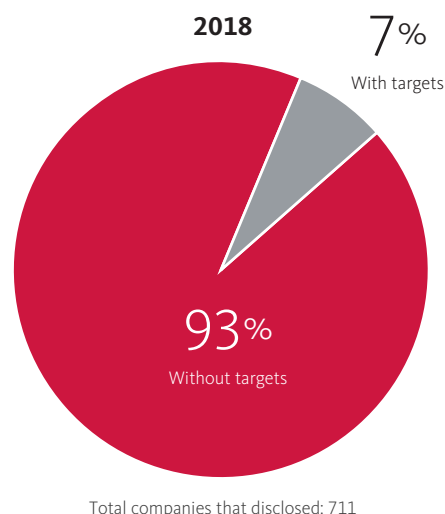
**FIGURE 6: BOARD DIVERSITY POLICY ADOPTION RATES**



**FIGURE 7.1: TARGET ADOPTION RATES – WOMEN DIRECTORS**



**FIGURE 7.2: TARGET ADOPTION RATES – WOMEN EXECUTIVE OFFICERS**



Consistent with our mid-year findings for 2018, the results for full-year 2018 reflect ongoing, if slow, progress for women gaining seats in the boardroom, while the progress in the executive officer ranks continues to lag behind.

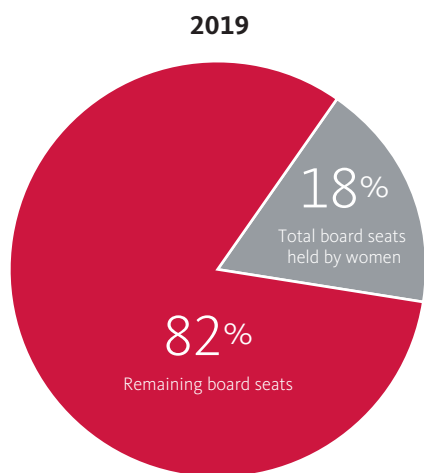


# Mid-year results for 2019: Women on boards

## NUMBER AND PERCENTAGE OF WOMEN DIRECTORS

As of July 31, 2019, 657 companies had reported the number of women directors on their boards, with a total of 948 board positions at these companies reported as being held by women out of a total of 5,222 board seats. Based on these results, women held 18.2% of the total board seats among companies providing disclosure for 2019. The corresponding results for the S&P/TSX 60 companies during this period were 177 and 586 board seats, respectively, representing 30.2% of the total board seats among the 53 members of the S&P/TSX 60 providing disclosure. These figures reflect a meaningful improvement of 1.8% and 1.9%, respectively, from mid-year 2018.

FIGURE 8: PROPORTION OF TOTAL BOARD SEATS HELD BY WOMEN (ALL COMPANIES)



Total companies that disclosed: 657

For the 657 companies disclosing the number of women directors on their boards, there was an average of 1.44 board seats held by women, and for the 645 companies disclosing the percentage of women on their boards, there was an average of 17.2% of women directors on these boards. These numbers reflect a further increase in the average number of women on the board over time (0.96 in 2016, 1.13 in 2017, and 1.29 in 2018), and also reflect a further increase in the average percentage of women on the board compared to prior years (13% in 2016, 12.9% in 2017, and 14.8% in 2018).



FIGURE 9.1: AVERAGE NUMBER OF WOMEN DIRECTORS

■ All companies    ▨ S&P/TSX 60 companies

Total companies that disclosed  
2015: 611 | 2016: 693 | 2017: 692 | 2018: 680 | 2019: 657

Total S&P/TSX 60 companies that disclosed  
2015: 56 | 2016: 58 | 2017: 54 | 2018: 55 | 2019: 53

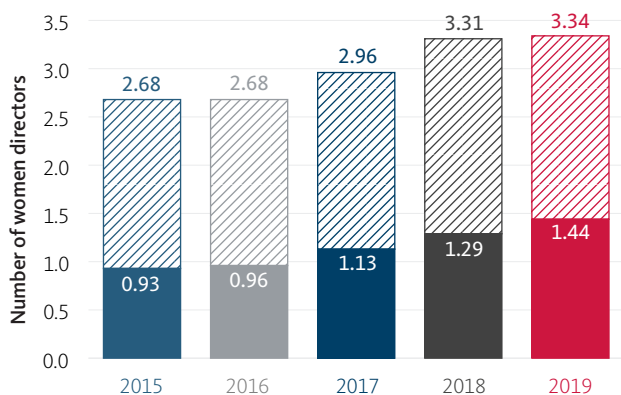
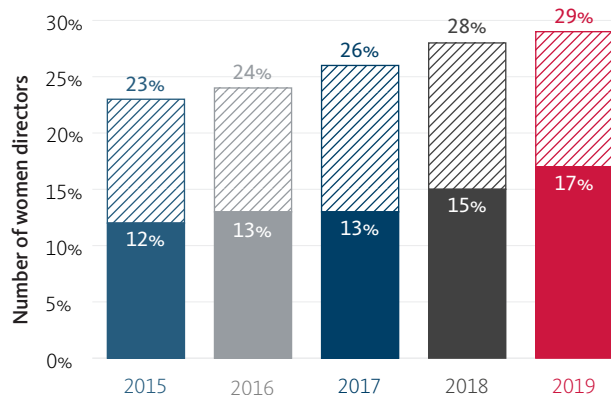


FIGURE 9.2: AVERAGE PERCENTAGE OF WOMEN DIRECTORS

■ All companies    ▨ S&P/TSX 60 companies

Total companies that disclosed  
2015: - | 2016: - | 2017: 684 | 2018: 682 | 2019: 645

Total S&P/TSX 60 companies that disclosed  
2015: - | 2016: - | 2017: 56 | 2018: 56 | 2019: 53

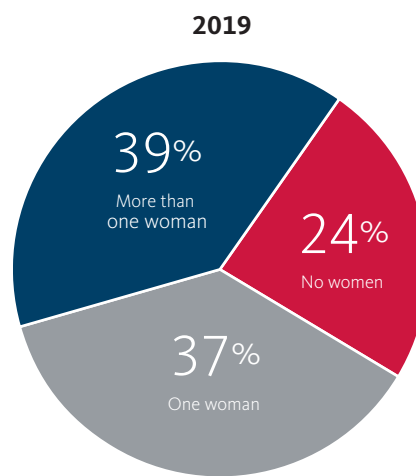


Companies have taken steps to include at least one woman on their board and over three-quarters (76.0%) of all companies now have at least one female director. In 2019 the percentage of all-male boards declined to 24.1% (158 of the 657 companies reporting), compared to 31.3% (in 2018), 37.3% (in 2017), and 46% (in 2016). This is a meaningful drop and reflects the ongoing focus on this area.

Importantly, the percentage of boards with two or more women directors increased significantly year over year as well over one-third (38.7%) of the 657 companies that reported indicated that they now have more than one woman on their board – an increase of 5% compared to the same period last year where 33.7% of reporting companies reported having more than one woman on the board.

So far in 2019, women comprise 50% or more of the board at five companies: DREAM Unlimited Corp., Diversified Royalty Corp., MCAN Mortgage Corporation, New Gold Inc., and Saputo Inc. DREAM and Saputo were on the list in 2017; Diversified Royalty Corp. and MCAN Mortgage Corporation were on the list in 2018. New Gold Inc. is a new addition.

FIGURE 10: PROPORTION OF WOMEN DIRECTORS (ALL COMPANIES)



Total companies that disclosed: 657

FIGURE 11.1: NUMBER OF WOMEN DIRECTORS (ALL COMPANIES)

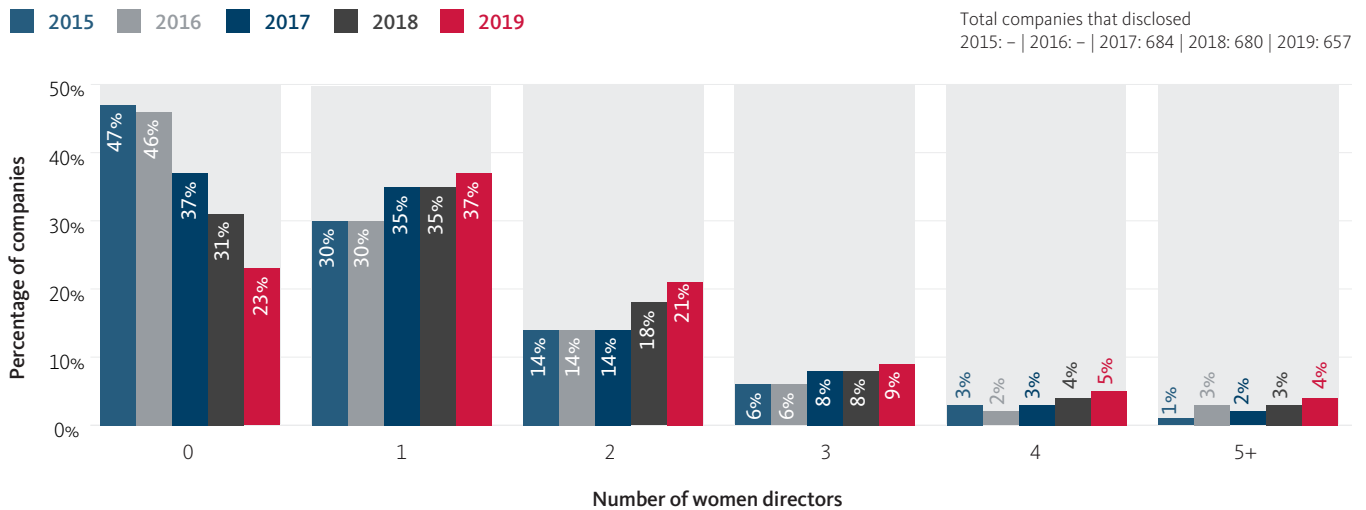
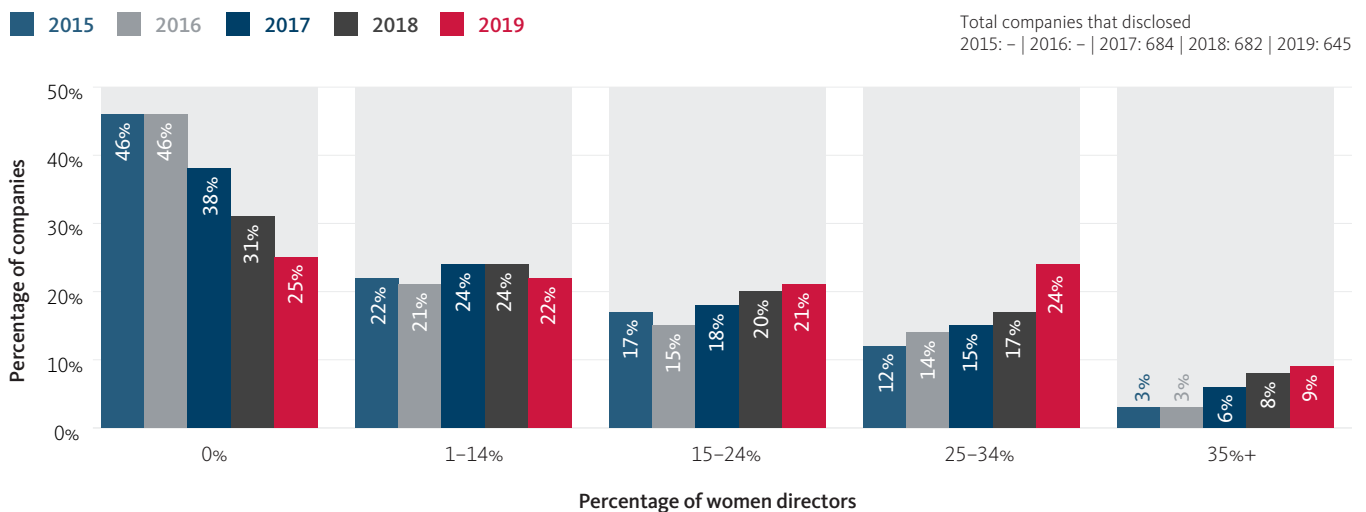


FIGURE 11.2: PERCENTAGE OF WOMEN DIRECTORS (ALL COMPANIES)



Canada’s largest companies continue to be leaders in gender diversity in 2019. This is a trend that has remained constant since the Diversity Disclosure Requirements were introduced, and is consistent with broader trends internationally. As noted above, of the 53 S&P/TSX 60 companies that have disclosed the number of their women directors, a total of 177 board positions held by women were reported, representing an average of 3.4 board positions per disclosing company and, of the 53 companies reporting the percentage of women on their boards, there was an average of 29.4% women directors, up from 27.7% in 2018. The vast majority (49 or 92.5%) of disclosing S&P TSX 60 companies reported having two or more women board members. Of those 49 companies, 11 companies (20.4% of those disclosing) have five board positions held by women and three companies (5.6% of those disclosing) have six or more board positions held by women.

Last year we reported that there were no longer any all-male boards among the S&P/TSX 60 companies. This year our results show one S&P/TSX 60 company without any female board members. Due to the untimely death of its sole female board member earlier this year, Barrick Gold Corporation’s board did not include any women as at our measurement date of July 31, 2019. The company subsequently appointed a female director and once again there are no longer any all-male boards among the S&P/TSX 60 companies.

FIGURE 12.1: NUMBER OF WOMEN DIRECTORS (S&P/TSX 60 COMPANIES)

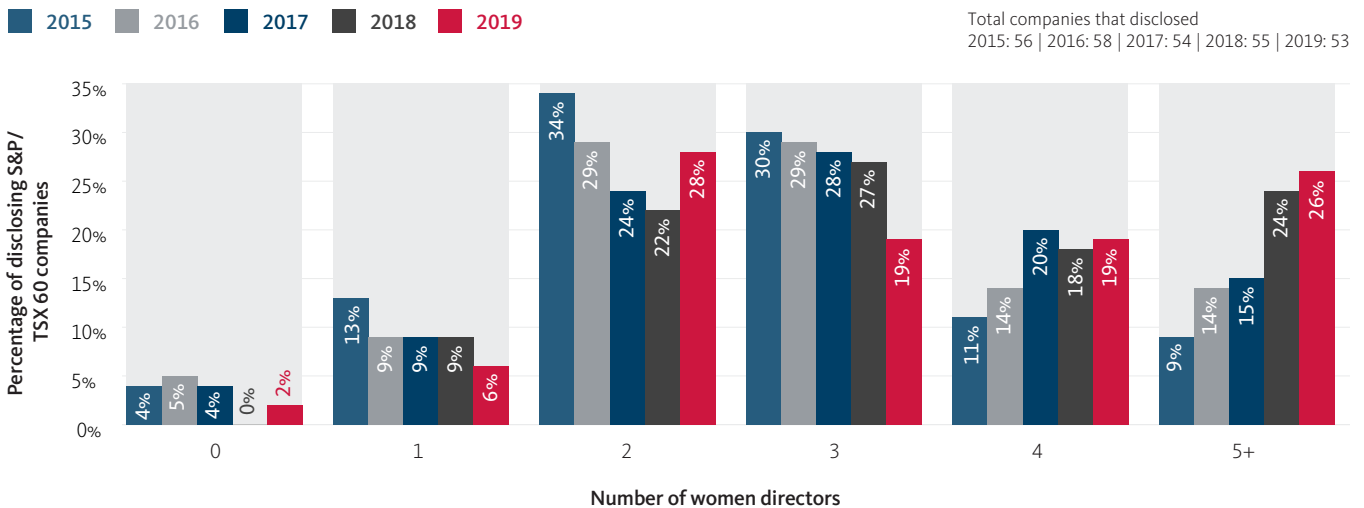
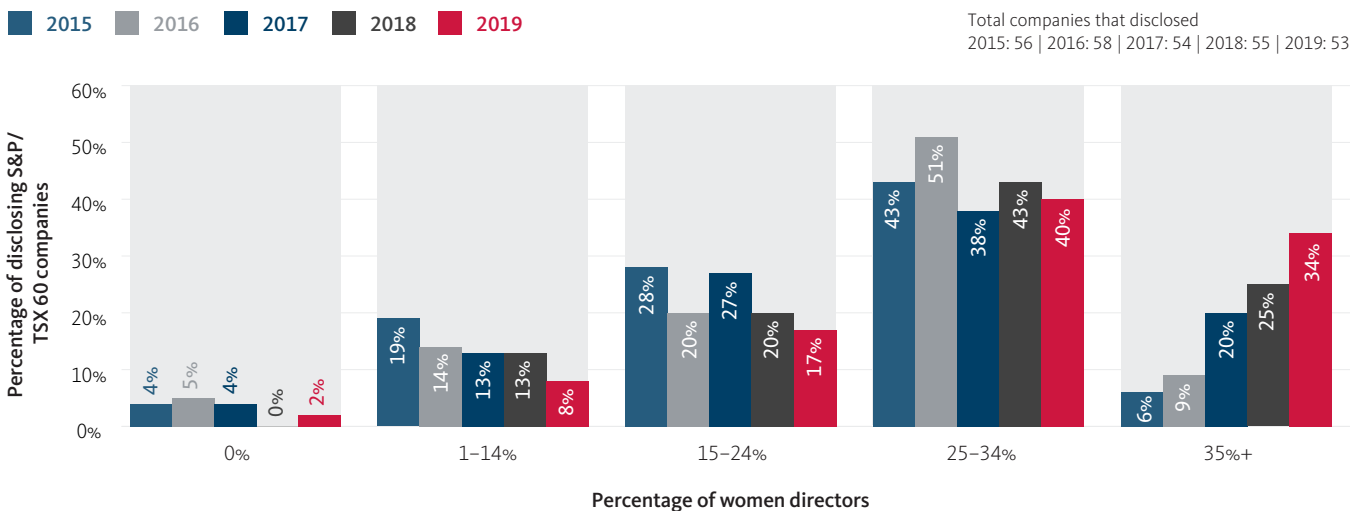


FIGURE 12.2: PERCENTAGE OF WOMEN DIRECTORS (S&P/TSX 60 COMPANIES)



**WOMEN BOARD REPRESENTATION BY INDUSTRY**

The average number and percentage of women directors continues to vary significantly across industries. For example, while the average percentage of female board members in the Utilities & Pipelines industry is 29.9%, only 12.8% of board members, on average, in the Oil & Gas industry are women. As in 2018, the Utilities & Pipelines and Communication & Media industries had both the highest average percentage of women directors and the highest average number of women directors.

On an industry-by-industry basis, there continue to be varying degrees of growth in 2019 compared to 2018. These changes are illustrated in Figures 13.1 and 13.2. The number of women directors and average percentage of women directors generally increased in each industry, which is consistent with the general increase in the number of female directors and the decline in the number of companies with no female directors.

FIGURE 13.1: NUMBER OF WOMEN DIRECTORS BY INDUSTRY

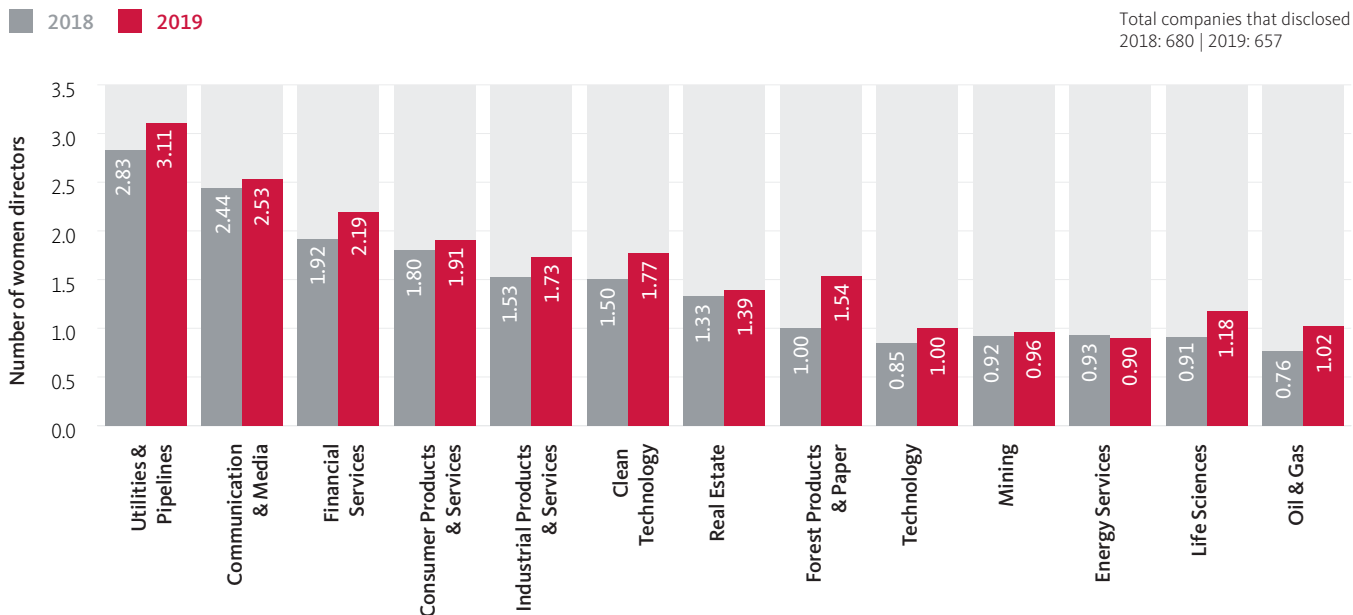
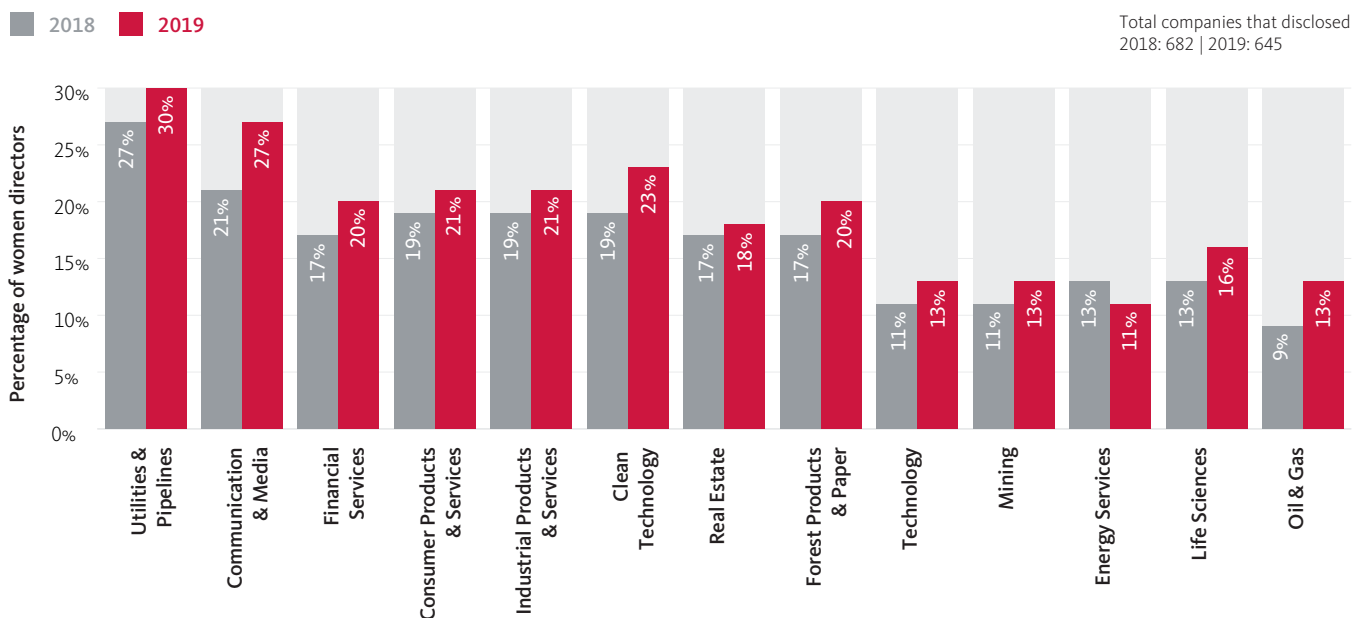


FIGURE 13.2: PERCENTAGE OF WOMEN DIRECTORS BY INDUSTRY



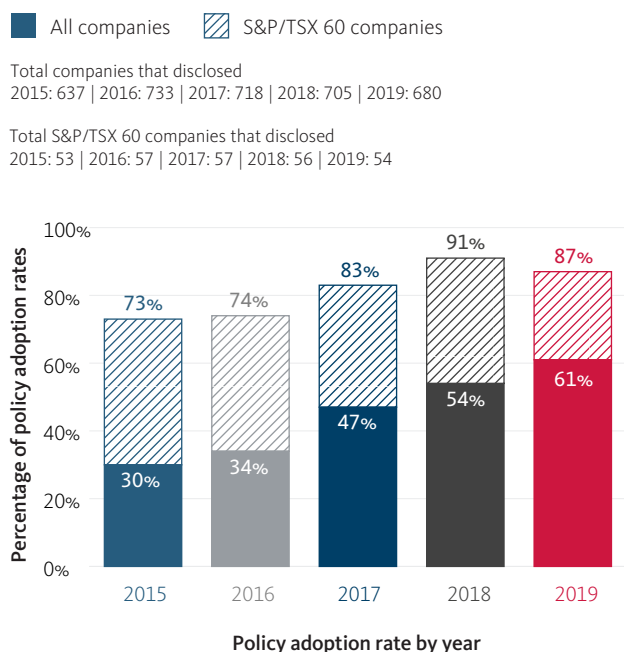
### NEW DIRECTOR APPOINTMENTS

We continued to monitor the progress being made among TSX-listed companies in adding women to their boards, and again gathered data regarding the number of women being nominated for election as director for the first time in 2019, either because they had been appointed during the year to fill a vacancy that had occurred since the last shareholders meeting or as a result of an increase in board size at the relevant company. For the 685 companies that fully or partially satisfied the Diversity Disclosure Requirement, there were 503 board seats that became available due to vacancies or an increase in board size. Of these 503 positions, women were nominated to fill 183 board seats, or approximately 36.4% of the total number of newly created or vacated board seats, which represents an over 4% increase since 2018.

### BOARD POLICIES ON DIVERSITY & POLICIES RELATED TO THE NOMINATION AND IDENTIFICATION OF WOMEN ON BOARDS

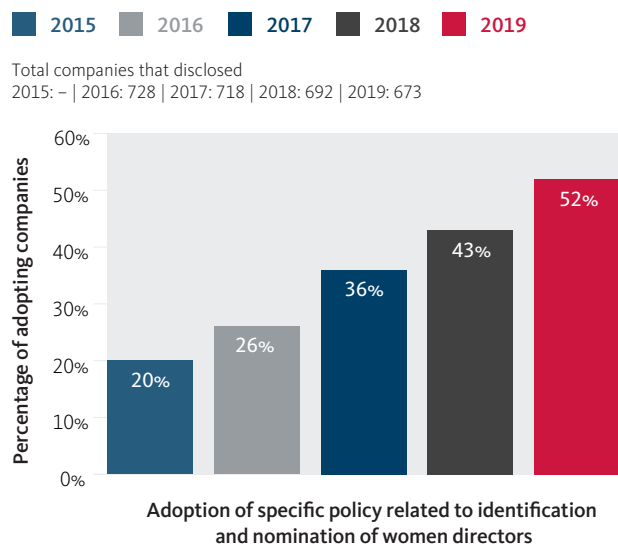
Of the 680 companies that reported in 2019 on whether they adopted board diversity policies, 413 (representing 60.7%) disclosed that they have a written board diversity policy. This represents a meaningful increase of over 7% in the percentage of disclosing companies reporting the adoption of such policies (up from 34.0% in 2016, 46.9% in 2017 and 53.6% in 2018). Among S&P/TSX 60 companies, 47 of the 54 companies reporting indicated that they had adopted a written board diversity policy – this represents 87.0% of all companies reporting, slightly down from 91.0% in 2018, but up from 82.5% in 2017 and 74% in 2016.

FIGURE 14: GENERAL BOARD DIVERSITY POLICY ADOPTION RATES



The Diversity Disclosure Requirement seeks disclosure on whether the board has adopted a written policy that specifically relates to the identification and nomination of women directors. Not all companies which disclosed that they had adopted a written board diversity policy stated whether the policy specifically related to the identification and nomination of women directors. In 2019, 673 companies disclosed whether or not they had a written policy relating to the identification and nomination of women directors, and 349 (51.9%) of these companies indicated that they had such a policy, compared to 42.9% in 2018, 35.6% in 2017, and 26% in 2016. Among S&P/TSX 60 companies, 53 companies specifically disclosed whether they had a written policy relating to the identification and nomination of women directors and 44 (83.0%) stated that they had adopted such a written policy.

FIGURE 15: NATURE OF POLICY ADOPTED (ALL COMPANIES)



The disclosure from companies reporting that they have adopted a board diversity policy indicates that a broad range of diversity characteristics are considered. Since the new diversity disclosure requirements for public companies existing under the *Canada Business Corporations Act* will come into force on January 1, 2020, this disclosure will be interesting to monitor in the future. As noted in Chapter 1, these requirements will obligate companies subject to them to report on a broader range of diversity characteristics including women, members of visible minorities, Canadian Aboriginal persons and persons with disabilities.

A significant majority of these policies include a broad statement regarding the consideration of diversity, with most of the disclosure made in respect of these policies then proceeding to list a range of specific diversity characteristics that are to be considered under the policy. Excluding gender, the next five most frequently referenced characteristics among the 413 companies disclosing that they have a board diversity policy are ethnicity/race (40.9%), age (31.7%), skills/expertise (20.8%), geography (19.1%), and education (10.4%).



The identification of Indigenous status as a diversity characteristic considered in the diversity policy also appears in this disclosure; approximately 7.3% of the examples specifically identify Indigenous status, an increase from 4.6% in 2018. Note that it is possible that the diversity policies provide additional details regarding other diversity characteristics that are not reflected in the summaries of the policies disclosed by issuers. Set out below is a list of the top five diversity characteristics identified by companies besides gender, listed in order of the frequency with which they are cited.

FIGURE 16: TOP FIVE DISCLOSED DIVERSITY POLICY CHARACTERISTICS BEYOND GENDER

- ① Ethnicity/Race
- ② Age
- ③ Skills/Expertise
- ④ Geography
- ⑤ Education

Companies that have not adopted a written board diversity policy are required to explain why. Although 2019 is the fifth year the Diversity Disclosure Requirement has been in effect, approximately one-third of companies disclosing that they had not adopted a board diversity policy did not disclose the reason why they had not done so. Among those companies that did disclose a reason for not adopting such a policy, the most common reason given by a significant margin was not wanting to compromise the principles of meritocracy, which is a result that is consistent with our findings in prior years. The top five reasons for not adopting policies are listed below in the order of the frequency with which they occurred.

FIGURE 17: TOP FIVE REASONS DISCLOSED FOR NOT ADOPTING WRITTEN BOARD DIVERSITY POLICY

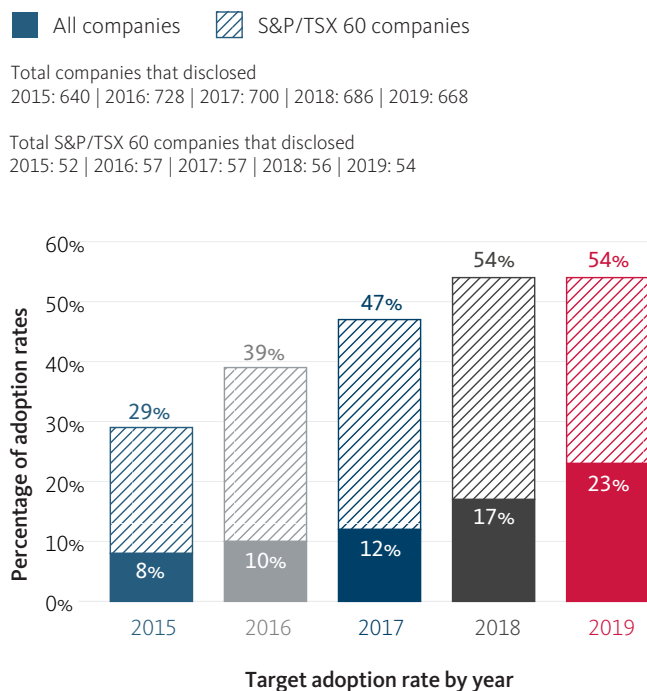
- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Policies are under consideration
- ④ Policies are ineffective or arbitrary
- ⑤ All characteristics of diversity are considered equally

### TARGETS FOR WOMEN ON BOARDS

As we have found in prior years, adoption rates for targets respecting the representation of women on the board remain low. However, 2019 saw a significant increase of approximately 5% over 2018 in the number of disclosing companies that had adopted such a target. Of the 668 companies that disclosed whether or not they had adopted such targets in 2019, 150 (22.5%) reported that they had adopted a percentage target for women on the board. This represents an increase from the 17.2% of companies that reported they had adopted such targets in 2018. In 2019, five additional companies reported a number for their targets instead of a percentage, which would account for an additional 0.7% increase.

Among the 54 S&P/TSX 60 companies that disclosed whether or not they had a target, 29 companies (53.7%) reported having a target, which represents little change since 2018 but remains significantly ahead of other TSX-listed companies.

FIGURE 18: TARGETS FOR REPRESENTATION OF WOMEN ON BOARDS



Among those companies that reported not adopting targets, the rationale were generally similar as those given for failing to adopt board diversity policies, with the vast majority indicating concerns about compromising principles of meritocracy or having concerns that a target may result in someone other than the most qualified candidate having to be selected. Other reasons included the concerns that targets are ineffective and/or arbitrary or are inappropriate when considering the small number of directors on the board.

FIGURE 19: TOP FIVE REASONS DISCLOSED FOR NOT ADOPTING A TARGET FOR WOMEN DIRECTORS

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Ineffective or arbitrary
- ④ Small number of directors or low turnover
- ⑤ Not needed as the board is adequately diverse

### FEMALE BOARD CHAIRS

We also looked at the number of companies where the chair of the board of directors is female. We found only 30 (or 4.4% of the 685 companies that fully or partially complied with the Diversity Disclosure Requirement) had a woman in the board chair role. However, this does represent an increase from 25 (3.5%) of female board chairs in 2018.

### FEMALE COMMITTEE CHAIRS

This year we also looked at the number of board committees chaired by women at each TSX company. Encouragingly, we found that over a third (33.4%) of the 685 companies that provided full or partial diversity disclosure, or 229 companies, had at least one standing committee of the board chaired by a woman. At 169 companies (24.7%) only one standing board committee was chaired by a woman, while 60 companies (8.8%) reported having more than one woman board committee chair.

The data continue to show that, despite the progress that is gradually being made in increasing the proportion of women directors on TSX company boards, very few women serve in positions of leadership on the board.

# 5

## Mid-year results for 2019: Women in executive officer positions

### NUMBER AND PERCENTAGE OF WOMEN IN EXECUTIVE OFFICER POSITIONS

In 2019, 609 companies disclosed the number of women executive officers in their organizations. These companies reported a total of 1,053 executive officer positions held by women. On average, these companies reported 1.73 women executive officer positions per company, while the 588 companies disclosing the percentage of women in executive officer positions reported an average of 16.9% of their executive officer positions being held by women. These numbers reflect a small positive change relative to 2016, 2017, and 2018 in terms of both the average number of women executive officers reported 1.54, 1.43, and 1.71 respectively and in the average percentage of executive officer positions held by women (15% in 2016 and 2017 and 16% in 2018).

We note that the level of non-compliance with the obligation to report both the number and the percentage of women executive officers has increased significantly this year, which may impact year-over-year comparisons.

FIGURE 20.1: OVERALL AVERAGE NUMBER OF WOMEN EXECUTIVE OFFICERS

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019

Total companies that disclosed  
2015: 562 | 2016: 668 | 2017: 649 | 2018: 651 | 2019: 609

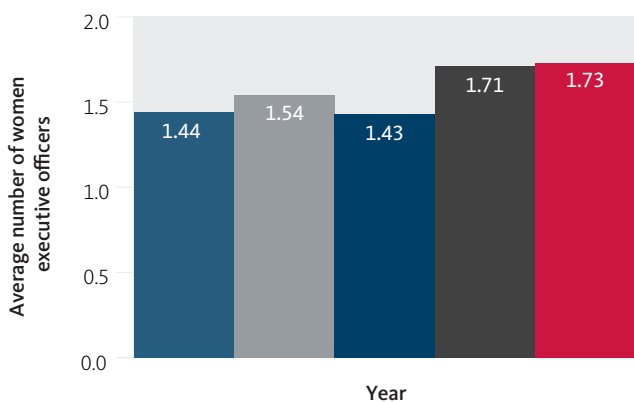


FIGURE 20.2: OVERALL AVERAGE PERCENTAGE OF WOMEN EXECUTIVE OFFICERS

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019

Total companies that disclosed  
2015: 547 | 2016: 654 | 2017: 645 | 2018: 630 | 2019: 588

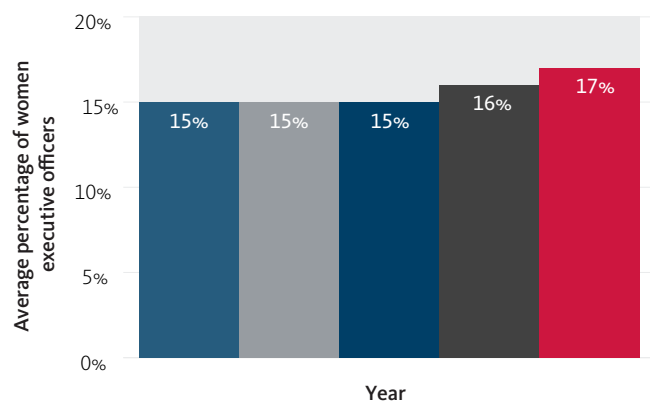
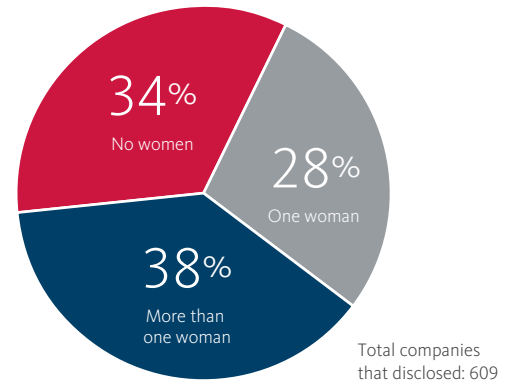


FIGURE 21: PROPORTION OF WOMEN EXECUTIVE OFFICERS

2019



Consistent with the above results, the number of companies reporting that they had no women executive officers declined slightly to 34.2% among the 609 companies disclosing the number of women executive officers, compared to 35.8% in 2018, 39.9% in 2017, and 40% in 2016. Of these 609 companies, the number that reported having only one woman executive officer declined to 28.1% (compared to 30% in 2018), while the percentage that reported having two or more women executive officers increased to 37.8% from 34.3% in 2018.

FIGURE 22.1: NUMBER OF WOMEN EXECUTIVE OFFICERS (ALL COMPANIES)

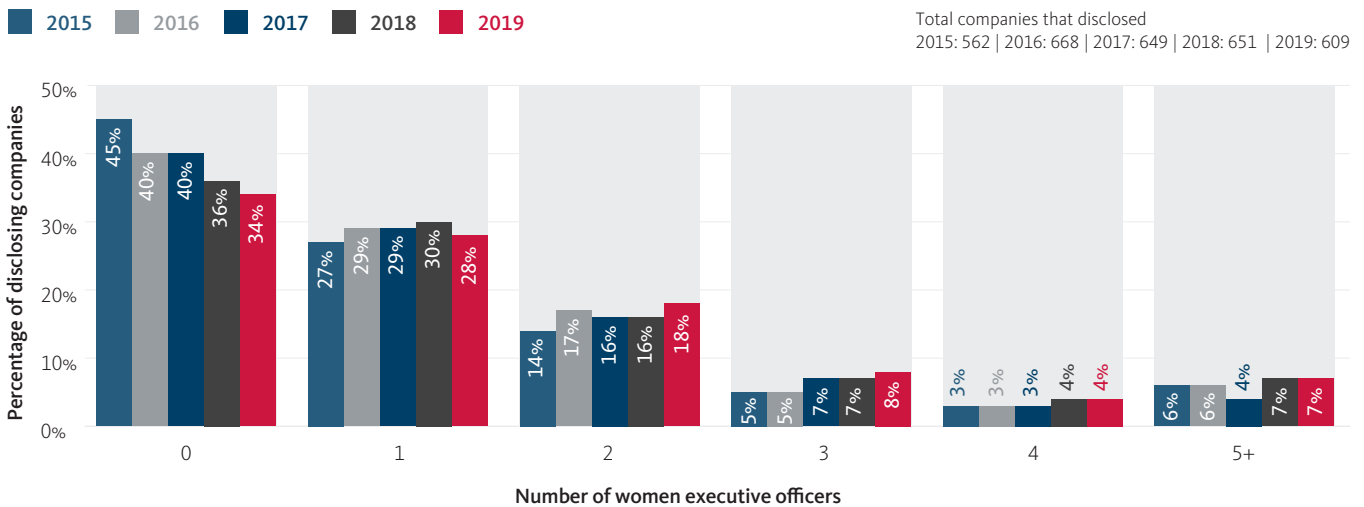
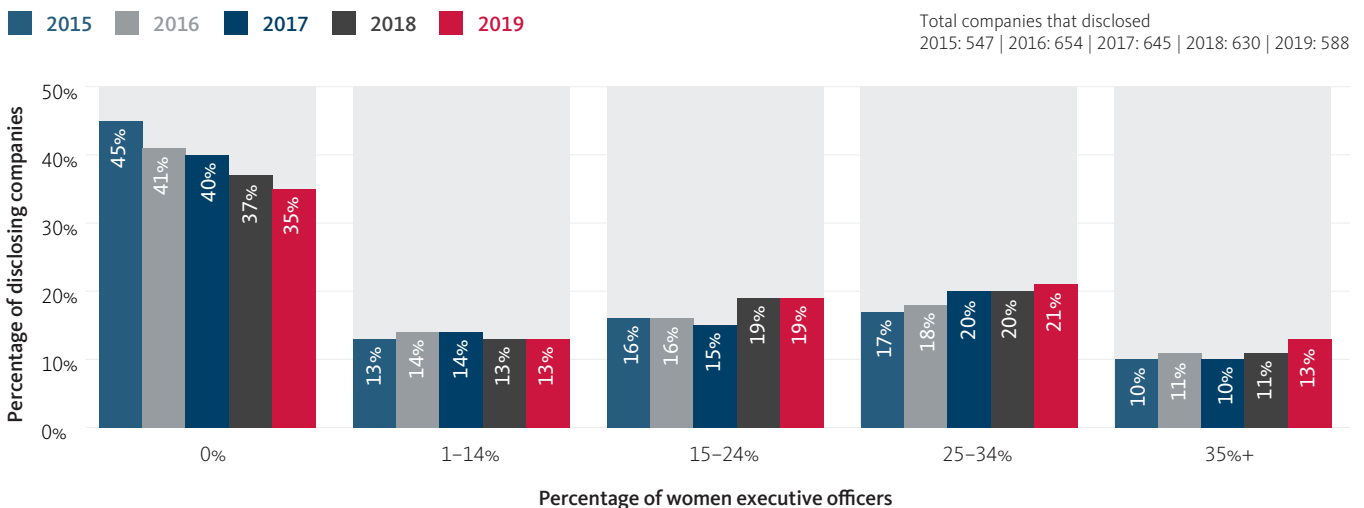


FIGURE 22.2: PERCENTAGE OF WOMEN EXECUTIVE OFFICERS (ALL COMPANIES)



Among the 48 S&P/TSX 60 companies that reported on the number of women executive officers, the average number of women executive officers increased slightly to 3.15 compared to 2.92 in 2018 reflecting the broader trend noted above. The average percentage of executive officer positions held by women was 18.6% for the 50 S&P/TSX 60 companies that disclosed the percentage of female executive officers.

FIGURE 23.1: AVERAGE NUMBER OF WOMEN EXECUTIVE OFFICERS (S&P/TSX 60 COMPANIES)

2015 2016 2017 2018 2019

Total companies that disclosed  
2015: 43 | 2016: 51 | 2017: 53 | 2018: 53 | 2019: 48

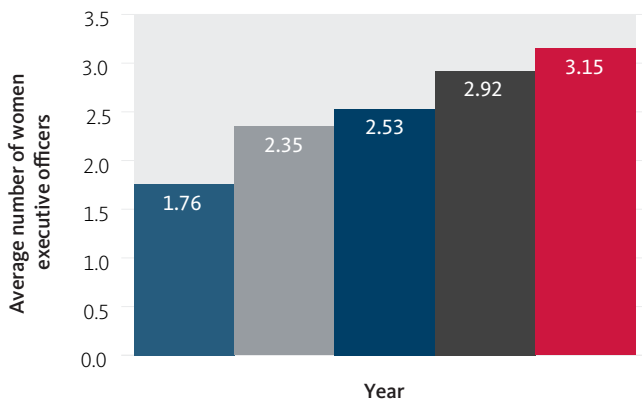
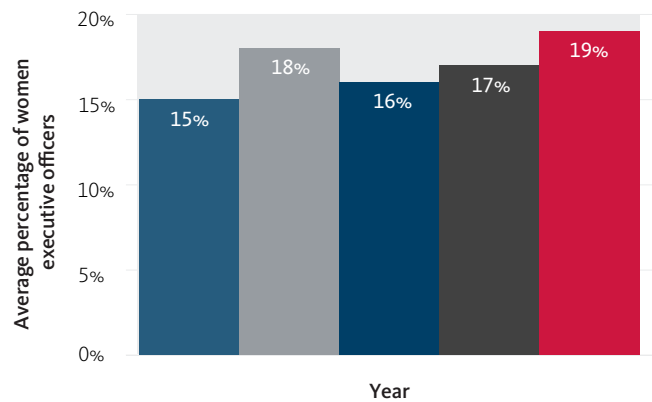


FIGURE 23.2: AVERAGE PERCENTAGE OF WOMEN EXECUTIVE OFFICERS (S&P/TSX 60 COMPANIES)

2015 2016 2017 2018 2019

Total companies that disclosed  
2015: 46 | 2016: 50 | 2017: 54 | 2018: 52 | 2019: 50



As summarized in Figures 23.1 and 23.2, based on the number of S&P/TSX 60 companies disclosing, there were no significant changes in the actual number of women executive officers at each of these companies.

FIGURE 24.1: NUMBER OF WOMEN EXECUTIVE OFFICERS (S&P/TSX 60 COMPANIES)

2015 2016 2017 2018 2019

Total companies that disclosed  
2015: 43 | 2016: 51 | 2017: 53 | 2018: 53 | 2019: 48

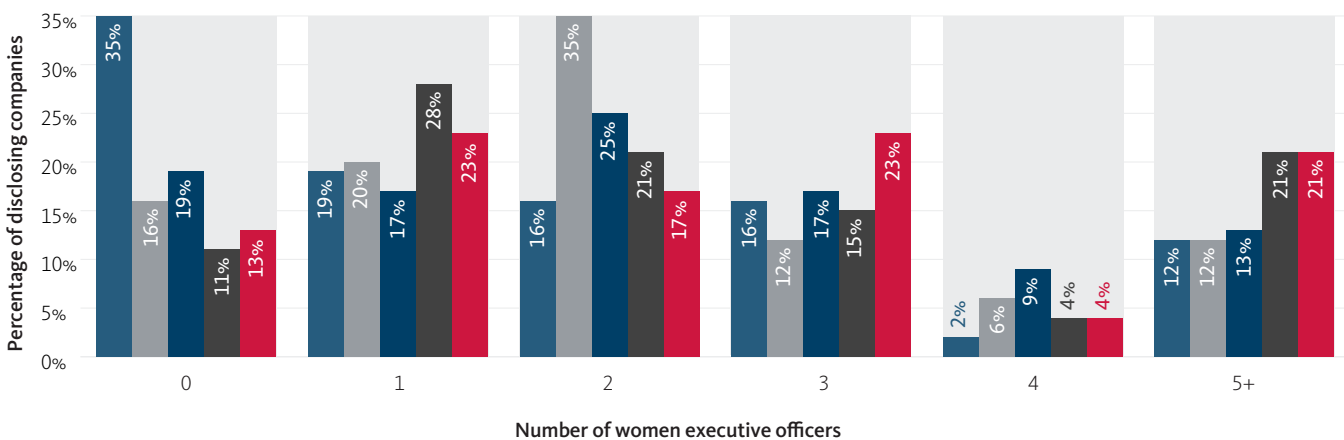
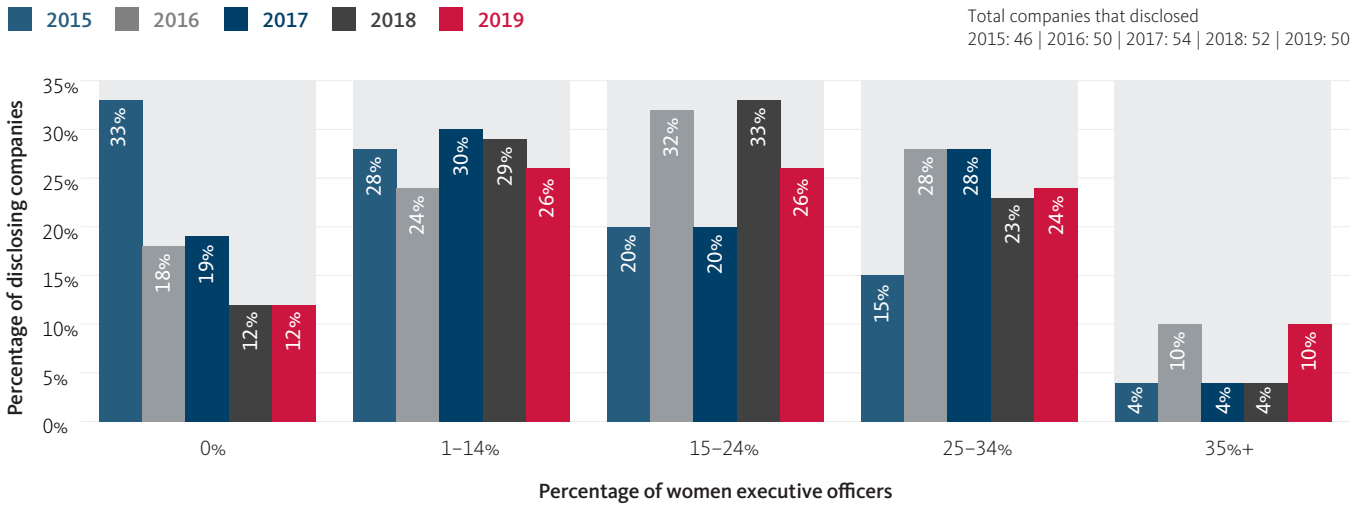


FIGURE 24.2: PERCENTAGE OF WOMEN EXECUTIVE OFFICERS (S&P/TSX 60 COMPANIES)



**WOMEN EXECUTIVE OFFICERS BY INDUSTRY**

Broken down by industry, Utilities & Pipelines continued to have the highest average number of women executive officers (3.84), followed by Forest Products & Paper (3.31) and Consumer Products & Services (3.10).

The average percentage of women executive officers remained highest in the Real Estate industry, where it increased to 26.3% from 25.9% in 2018. Forest Products & Paper (23.1%), Utilities & Pipelines (22.3%) and Consumer Products & Services (21.9%) were the industries with the next three highest average percentage of women executive officers.

FIGURE 25: NUMBER OF WOMEN EXECUTIVES BY INDUSTRY

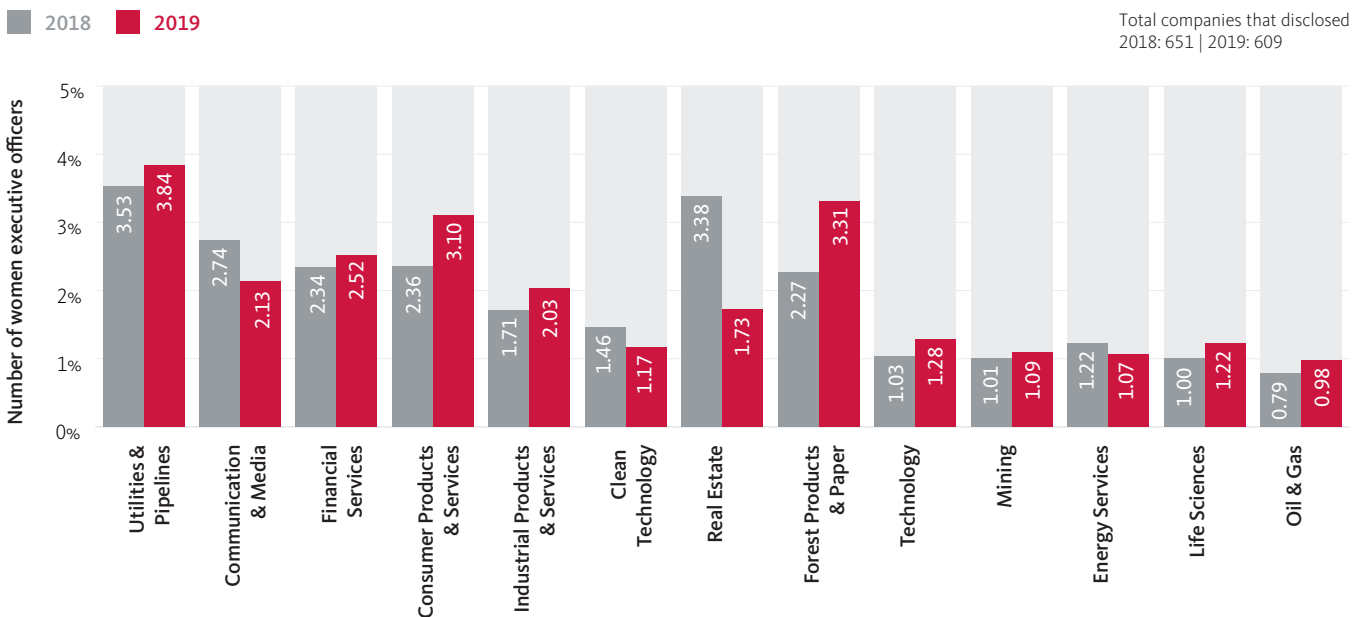
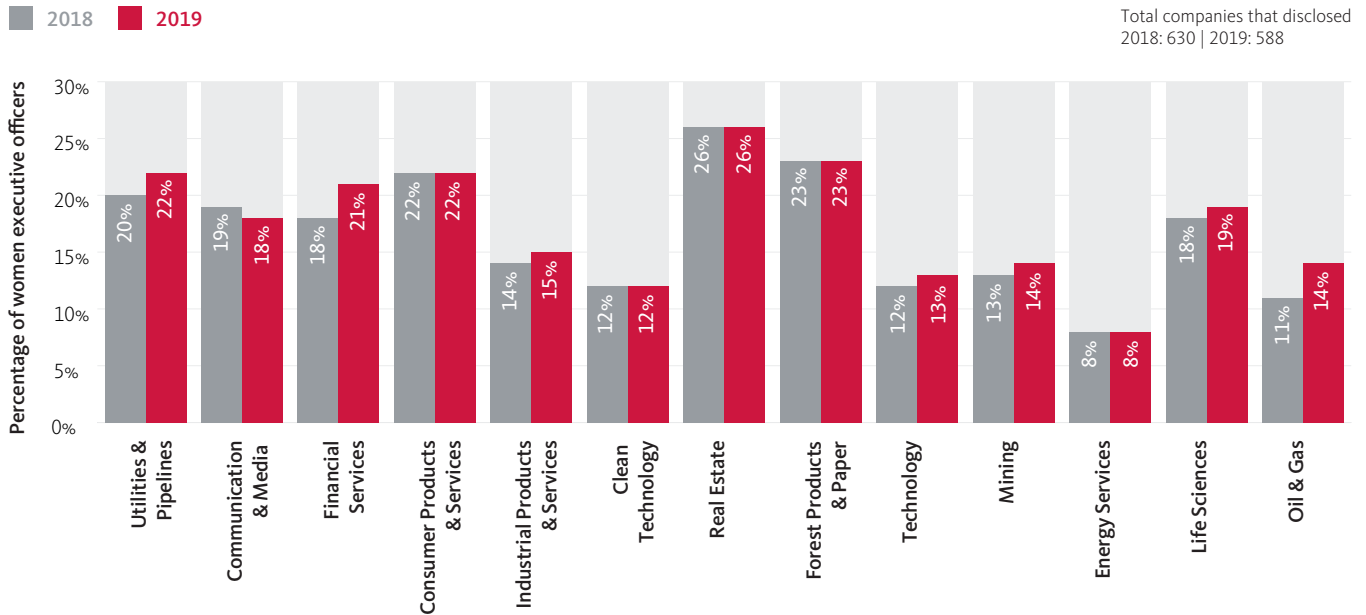


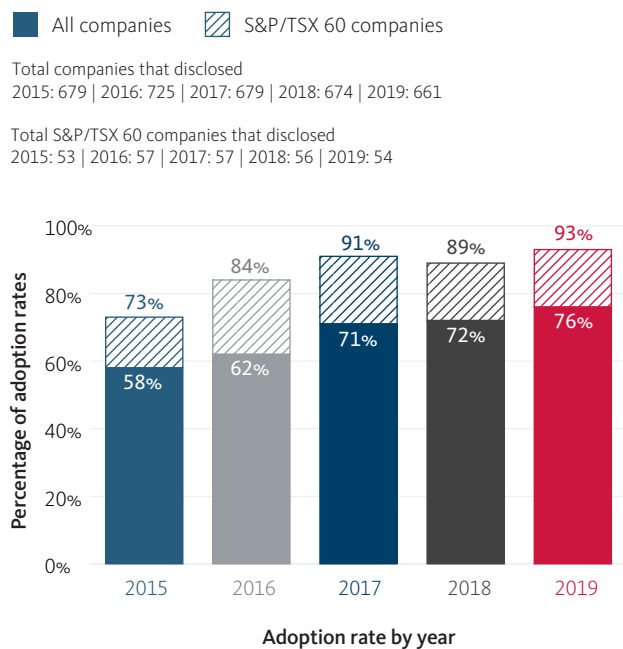
FIGURE 26: PERCENTAGE OF WOMEN EXECUTIVE OFFICERS BY INDUSTRY



**CONSIDERING THE REPRESENTATION OF WOMEN IN APPOINTING EXECUTIVE OFFICERS**

In 2019, 661 companies disclosed whether or not they take into account the representation of women in the identification and appointment of executive officers. Of those, 502 (76.0%) stated they do so. This reflects more than a 3% increase from the prior year.

FIGURE 27: CONSIDERATION OF GENDER IN EXECUTIVE OFFICER APPOINTMENTS





The proportion of companies reporting that they take gender into account when making executive appointments among S&P/TSX 60 companies is higher – 50 (92.6%) of the 54 companies that disclosed this information reported doing so in 2019. This reflects a slight increase compared to the corresponding figure of 89.3% (or 50 of 56 companies disclosing S&P/TSX 60 companies) in 2018.

As with the adoption of policies relating to the consideration of women for director positions, the primary reason given for not specifically considering gender in the identification and appointment of executive officers relates to an expressed concern about compromising the principles of meritocracy. This is also consistent with the results in 2018, 2017 and 2016. However, the other reasons given have evolved from 2018 and prior years – the fact of there being a small number of executive officers or low turnover was the next-most commonly cited reason for not specifically considering gender in this regard, while the fact that all characteristics of diversity are considered equally does not appear on the list for 2019 despite having ranked as the second most common reason given in 2018. The three most common reasons for not considering gender in 2019 are listed below. These three responses account for the vast majority of the reasons for not considering gender in the identification and appointment of executive officers.

FIGURE 28: TOP THREE REASONS FOR NOT CONSIDERING GENDER IN EXECUTIVE OFFICER APPOINTMENTS

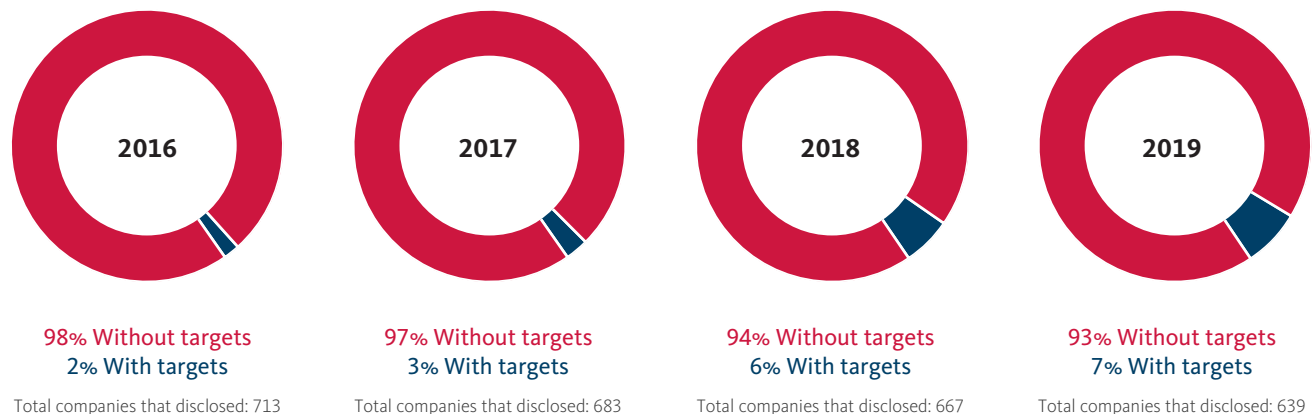
- ① Do not want to compromise the principles of meritocracy
- ② Small number of executive officers or low turnover
- ③ May not result in the best candidates being selected

### TARGETS FOR WOMEN EXECUTIVE OFFICERS

As in prior years, the adoption of targets relating to the representation of women in executive officer positions remains very low. Of the 639 companies that disclosed whether or not they had such a target, only 43 (6.7%) disclosed that they did. However, this represents an increase from 2018, when 39 companies (5.9%) reported that they had adopted targets for the number of women executive officers.

The number of S&P/TSX 60 companies adopting targets for women in executive officer positions increased by 1.7% this year, with 12 (23.5%) of the 51 S&P/TSX 60 companies disclosing that they had adopted such targets, compared to 21.8% in 2018.

FIGURE 29: PREVALENCE OF TARGETS FOR WOMEN EXECUTIVE OFFICERS (ALL COMPANIES)



A list of the 41 companies that have adopted targets relating to the representation of women in executive officer positions is set out below. A significant number of issuers have chosen to set diversity goals for varying levels within the organization instead of setting a target based on the proportion of executive officers, but those issuers have not been included.

| In 2019 the most common target for women executive officers is 30%                         |   |   |  |
|--|---|---|--|
| <b>Aritzia Inc.</b><br>at least 30% women in executive officer roles                       | <b>Badger Daylighting Ltd.</b><br>at least 30% women in executive officer roles | <b>Bombardier Inc.</b><br>at least 30% women in executive officer roles               | <b>Capital Power Corporation</b><br>at least 30% women in executive officer roles    |
| <b>Home Capital Group Inc.</b><br>at least 30% women executives                            | <b>Hydro One Limited</b><br>at least 30% women in executive officer roles       | <b>Iamgold Corporation</b><br>at least 30% women in executive officer roles           | <b>Intact Financial Corporation</b><br>at least 30% women in executive officer roles |
| <b>Manulife Financial Corporation</b><br>at least 30% women in executive officer positions | <b>Parkland Fuel Corporation</b><br>30% women in executive officer positions    | <b>Sherritt International Corporation</b><br>30% women in executive officer positions | <b>SSR Mining Inc.</b><br>30% women in executive officer positions                   |
| <b>Sun Life Financial Inc.</b><br>30% women in executive officer positions                 | <b>Telus Corporation</b><br>30% women in executive officer positions            | <b>WSP Global Inc.</b><br>30% women in executive officer roles                        | <b>Yellow Pages Limited</b><br>30% women in executive officer positions              |

| Other targets for women executive officers in 2019  |  |   |   |
|---|--|---|---|
| 20% or less   | 25%  | More than 30%   | Other   |
| <p><b>Acadian Timber Corp.</b><br/>20% women in executive officer positions</p> <p><b>Denison Mines Corp.</b><br/>maintain current level (1 of 7 or 14.3%)</p> <p><b>Sierra Wireless Inc.</b><br/>20% women in executive officer roles</p> <p><b>SNC-Lavalin Group Inc.</b><br/>20% women in executive officer roles</p> <p><b>Summit Industrial Income REIT</b><br/>At least one women in an executive officer position</p> <p><b>Velan Inc.</b><br/>9% of executive officer positions held by women by 2021</p> | <p><b>Canadian Western Bank</b><br/>at least 25% women in executive officer roles</p> <p><b>Currency Exchange International Corp.</b><br/>at least 25% women in executive officer roles</p> <p><b>MCAN Mortgage Corporation</b><br/>25% women representation in executive officer roles by 2020</p> <p><b>Osisko Gold Royalties Ltd.</b><br/>25% women in executive officer positions.</p> <p><b>Park Lawn Corporation</b><br/>at least 25% of executive officer positions held by women by 2020</p> <p><b>Timbercreek Financial Corp.</b><br/>25% women in executive officer positions</p> <p><b>Total Energy Services Inc.</b><br/>25% women in executive officer positions</p> <p><b>Versabank</b><br/>25% women in executive officer positions</p> | <p><b>Bank of Montreal</b><br/>at least 40% women in executive officer positions</p> <p><b>BCE Inc.</b><br/>at least 35% women in executive officer positions</p> <p><b>Canadian Imperial Bank of Canada</b><br/>at least 35% women in executive officer roles</p> <p><b>Eldorado Gold Corporation</b><br/>at least 35% women in executive officer roles</p> <p><b>IGM Financial Inc.</b><br/>IGM at least 35% women in executive officer roles</p> <p><b>Kew Media Group Inc.</b><br/>50% women in executive officer positions</p> <p><b>National Bank of Canada</b><br/>40% women officers and executive officers</p> <p><b>The Toronto-Dominion Bank</b><br/>TD Bank has set a target of having 40% women in executive officer roles</p> <p><b>Thomson Reuters Corporation</b><br/>40% women in executive officer positions</p> <p><b>TMX Group Limited</b><br/>one-third of executive officer positions held by women by 2020</p> | <p><b>ADF Group Inc.</b><br/>between 20% and 50% women in executive officer positions</p> |

Fitting with the general trend, the top reason companies gave for not adopting targets regarding the appointment of women executive officers was a desire to uphold the “principles of meritocracy.”

FIGURE 30: THE TOP FIVE REASONS FOR NOT ADOPTING A TARGET FOR WOMEN EXECUTIVE OFFICERS

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Targets are ineffective/arbitrary
- ④ Targets limit talent pool/are too restrictive
- ⑤ Small number of executive officers or low turnover

## WOMEN CEOS

In 2018 we began tracking the number of women CEOs among the companies that fully or partially complied with the Diversity Disclosure Requirement. For 2019, we found 24 (or approximately 3.5% of the total issuers) that had women serving in the chief executive officer role. This represents only an incremental change of one CEO (or approximately 0.3%) from 2018. This underscores the findings in the literature on the topic more generally that the advancement of women in the executive officer ranks, and “C-suite” roles in particular, continues to lag behind the steady, if modest, progress made by women in the boardroom. It is also clear, as we noted in 2018, that recruitment of directors or executive officers that focuses on individuals with current or past experience serving as a CEO will be biased against the identification of female candidates.



## The road to gender parity – Who has achieved it and practices disclosed by companies for increasing female representation

Every year we highlight in our report those companies that have achieved gender parity on the board or in executive officer ranks as well as various practices that companies disclose that they are pursuing to increase the representation of women in the workplace. We highlight these companies and practices to show that with sufficient leadership and focus it is possible to achieve gender parity and to inspire others to consider adopting practices that may increase diversity within their company.

### **ACHIEVING GENDER PARITY IN DIRECTOR AND EXECUTIVE OFFICER POSITIONS**

Few boards have achieved gender parity on their board. Over the last three years, there has been consistently only five companies with boards where 50% or more of the directors are female, although the companies that have achieved gender parity vary from year to year.

| TSX companies with at least 50% representation of women in director positions |                                 |                                 |
|---|---------------------------------|---------------------------------|
| 2017  | 2018                            | 2019                            |
| DREAM Unlimited (50%)   | Diversified Royalty Corp. (50%) | Diversified Royalty Corp. (50%) |
| Pizza Pizza Royalty Corp. (50%)   | DREAM Unlimited (57%)           | DREAM Unlimited (57%)           |
| Saputo Inc. (50%)   | MCAN Mortgage Corporation (50%) | MCAN Mortgage Corporation (50%) |
| Sienna Senior Living (50%)  | Pizza Pizza Royalty Corp. (50%) | New Gold Inc. (50%)             |
| Valener Inc. (60%)  | Saputo Inc. (50%)               | Saputo Inc. (50%)               |

Similarly, few companies have achieved gender parity among their executive officers. Indeed, the number of companies where women make up 50% or more of the executive officers has declined over time. In 2019 women held 50% or more of the executive officer positions in only 32 companies, compared to 34 companies in 2018, and 37 companies in 2017.

| TSX companies where more than 50% of the executive officers are women |   |   |
|---|---|---|
| 2017  | 2018  | 2019  |
| Big Rock Brewery Inc. (75%)   | Big Rock Brewery Inc. (60%)                         | Balmoral Resources Ltd. (66⅔%)                      |
| Crosswinds Holdings Inc. (67%)  | Crosswinds Holdings Inc. (67%)                      | DREAM Unlimited Corp. (60%)                         |
| Dream Global Real Estate Investment Trust (100%)                      | Dream Global Real Estate Investment Trust (100%)    | INV Metals Inc. (66⅔%)                              |
| Dundee Energy Limited (67%)   | Killam Apartment Real Estate Investment Trust (55%) | Killam Apartment Real Estate Investment Trust (55%) |
| Imvescor Restaurant Group Inc. (67%)                                  | Liberty Gold Corp. (66%)                            | Knight Therapeutics Inc. (66⅔%)                     |
| Killam Apartment Real Estate Investment Trust (55%)                   | Sienna Senior Living Inc. (60%)                     | Lodging Corporation (66⅔%)                          |
| Le Château Inc. (66.7%)   |   | LXRandCo, Inc. (66⅔%)                               |
| Second Cup Ltd. (57%)   |   | Nickel Creek Platinum Corp. (66⅔%)                  |
| Sienna Senior Living Inc. (57%)                                       |   | Reitmans (Canada) Limited (56%)                     |
| St. Augustine Gold and Copper Limited (67%)                           |   | Sienna Senior Living Inc. (60%)                     |
|   |   | UEX Corporation (66⅔%)                              |
|   |   | Zargon Oil & Gas Ltd. (66⅔%)                        |

| TSX companies where exactly 50% of the executive officers are women |   |   |
|---|---|---|
| 2017  | 2018  | 2019  |
| Aritzia Inc.  | A&W Revenue Royalties Income Fund             | A&W Revenue Royalties Income Fund             |
| Capstone Mining Corp.   | Acadian Timber Corp.                          | Acadian Timber Corp.                          |
| Chesswood Group Limited   | Chesswood Group Limited                       | Athabasca Oil Corporation                     |
| Crescita Therapeutics Inc.  | Corridor Resources Inc.                       | Canada Goose Holdings Inc.                    |
| Dream Hard Asset Alternatives Trust                                 | Dream Hard Asset Alternatives Trust           | Chesswood Group Limited                       |
| Dream Industrial Real Estate Investment Trust                       | Dream Industrial Real Estate Investment Trust | Corridor Resources Inc.                       |
| Dream Office Real Estate Investment Trust                           | Dream Office Real Estate Investment Trust     | Dream Global Real Estate Investment Trust     |
| Eldorado Gold Corporation   | First Capital Realty Inc.                     | Dream Hard Asset Alternatives Trust           |
| EnerCare Inc.   | GeneNews Limited                              | Dream Industrial Real Estate Investment Trust |
| Extendicare Inc.  | Knight Therapeutics Inc.                      | Eagle Energy Inc.                             |
| Fairfax India Holdings Corporation                                  | Lucara Diamond Corp.                          | Lucara Diamond Corp.                          |
| GeneNews Limited  | Mainstreet Equity Corp.                       | Mainstreet Equity Corp.                       |
| Immunovaccine Inc.  | Melcor Real Estate Investment Trust           | MCAN Mortgage Corporation                     |
| INV Metals Inc.   | Nickel Creek Platinum Corp.                   | Melcor Real Estate Investment Trust           |
| Mainstreet Equity Corp.   | Nuvo Pharmaceuticals Inc.                     | Pinetree Capital Ltd.                         |
| Melcor Real Estate Investment Trust                                 | Partners Real Estate Investment Trust         | StageZero Life Sciences Ltd.                  |
| NexGen Energy Ltd.  | Pinetree Capital Ltd.                         | Sulliden Mining Capital Inc.                  |
| Nuvo Pharmaceuticals Inc.   | PrairieSky Royalty Ltd.                       | Timbercreek Financial Corp.                   |
| Pine Cliff Energy Ltd.  | Reitmans (Canada) Limited                     | Trilogy Metals Inc.                           |
| PrairieSky Royalty Ltd.   | Supremex Inc.                                 |   |
| Supremex Inc.   | Timbercreek Financial Corp.                   |   |
| Trilogy Metals Inc.   | Trilogy Metals Inc.                           |   |
| True North Commercial Real Estate Investment Trust                  |   |   |

**DISCLOSED BEST PRACTICES FOR ADVANCING WOMEN IN THE WORKPLACE**

An increasing number of public companies voluntarily provide supplemental disclosure highlighting their strategy to increase diversity generally, and the representation of women specifically, at all levels within the company, including the senior ranks. Companies that have adopted a strategy of increasing diversity state that they seek to add value to their organization through greater diversity and inclusion by

- recruiting a high performing workforce drawn from all segments of the Canadian landscape;
- seek workplace inclusion by cultivating a culture that encourages collaboration, flexibility, understanding and fairness to enable individuals to contribute to their full potential engagement and retention; and
- target sustainability and accountability by developing structures and strategies to equip leaders with the ability to manage and develop a company’s talent through a diverse lens with an aim at institutionalizing a culture of inclusion.

We highlight below some of the practices leading companies have adopted to increase the proportion of female leaders within the company.

| Best practices for advancing women in the workplace |   |  |
|---|---|--|
|   | Examples of innovative leaders  | Other leaders  |
| Recruitment criteria                                | <p><b>SmartCentres Real Estate Investment Trust</b></p> <p>In 2018 the board of trustees of the company decided to increase its size from seven to eight trustees and began a search for qualified candidates for the new position. In recognition of the importance of gender diversity, the external search firm engaged to assist in the search process was directed to restrict its search for qualified candidates to women. That process resulted in the recommendation of a woman for election to the Board. If this candidate is elected, the board will have one female trustee, representing 12.5% of the trustees and 20% of the independent trustees. Also, in accordance with the diversity policy the Corporate Governance and Compensation Committee maintains an evergreen list of potential candidates for the board. At this time a majority of the candidates are women. Further, all people managers at the company have been trained in fair selection processes, including specific training on structured interviewing techniques; a minimum of two levels of interviews, with a human resources professional directly involved, is conducted for new recruits. SmartCentres periodically reviews its performance review process, promotion practices and compensation structure for bias and hidden barriers – the most recent review of the company’s compensation structure, performance review process and historical data on promotions by the Ontario Pay Equity Commission found them to be in order and free of gender bias.</p> | <ul style="list-style-type: none"> <li>• Capital Power Corporation</li> <li>• National Bank</li> <li>• Yellow Pages Limited</li> </ul> |



| Best practices for advancing women in the workplace |  |   |
|---|--|---|
|   | Examples of innovative leaders   | Other leaders   |
| Recruitment criteria (continued)                    | <p><b>ShawCor Ltd.</b></p> <p>The company's external advisors have been advised of the company's goal of promoting diversity of gender, international background, age and ethnicity and of the requirement to present prospective director candidates comprised of at least 50% female candidates. In its most recent searches for new director candidates, more than 50% of the director candidates presented for evaluation by the company's third-party recruiting firm were female and the company expects to be able to appoint an additional female director to the board later in 2019.</p>   |   |
| Mentorship programs                                 | <p><b>DREAM Unlimited Corp.</b></p> <p>In order to further address the advancement of women both on the board of the company and within the company, the board has established a Leaders and Mentors Committee in order to: identify, mentor and champion exceptional talent within the organization; oversee the company's commitment to being a leader in diversity and inclusion at all levels of the organization; work with the Governance and Nominating Committee to identify excellent candidates for board positions irrespective of prior board experience; and provide mentorship to new board members.</p> <p><b>CI Financial Corp.</b></p> <p>The company launched a Women's Mentorship Program in 2012 that was revamped in 2019 to provide an extended 12- to 18-month mentorship period and a matching process to ensure the most successful match of high-potential individuals with a seasoned mentor from the company's leadership team. The company's Mentee Alumni Group was initiated two years ago by two graduates of the Women in Leadership Program and allows for another form of female peer support and mentoring outside of the formal program. This program fosters a culture in which women can continue to support one another and facilitates peer mentoring in an environment of continuous learning.</p> | <ul style="list-style-type: none"> <li>• Centerra Gold Inc.</li> <li>• Goldcorp Inc.</li> <li>• Royal Bank of Canada</li> </ul>                             |
| Networking programs                                 | <p><b>Ritchie Bros. Auctioneers Incorporated</b></p> <p>The company has sponsored various leadership development initiatives including the Women's Go Networking and Mentoring program and the Company's Women in Leadership program open to all female employees aspiring to leadership roles. In addition, the company has sponsored high-potential women to attend external leadership training and the annual Art of Leadership for Women conference.</p> <p><b>Aecon Group Inc.</b></p> <p>Sponsored by the Chief Executive Officer and led by a Chair, Vice Chair, Advisor and Council Members, the Aecon Women Inclusion Network was formed to inspire the company's women to reach their full career potential through regular networking and mentoring sessions featuring internal and external speakers and currently offers a structured professional development curriculum.</p>   | <ul style="list-style-type: none"> <li>• Manulife Financial Corporation</li> <li>• SNC-Lavalin Group Inc.</li> <li>• Thomson Reuters Corporation</li> </ul> |

| Best practices for advancing women in the workplace |   |   |
|---|---|---|
|   | Examples of innovative leaders  | Other leaders   |
| Training programs                                   | <p><b>Finning International Inc.</b><br/>                     In 2018, the company expanded on its commitment to a respectful workplace by deploying virtual training to all employees, teaching them how to identify, respond appropriately to and prevent incidents of harassment. The company trained its human resources managers to deliver training to its leaders on building respectful teams. The company also focused on building awareness of and belief in its inclusion journey by holding conscious inclusion workshops and training programs. These programs are designed to increase leaders' knowledge of why inclusive and diverse teams matter to Finning, how unconscious biases undermine the company's decision quality, what its leaders can do to build inclusive and diverse teams and how to recruit inclusively.</p> <p><b>National Bank of Canada</b><br/>                     The Bank examined how unconscious bias can affect talent management and trained managers and human resource professionals this year. Workshops on the matter are being gradually deployed in every business sector. Unconscious bias was also a topic of discussion at performance and succession roundtables.</p> <p><b>Teck Resources Limited</b><br/>                     The company is holding gender intelligence training workshops for employees at multiple sites, with over 1,200 employees having participated to date.</p> | <ul style="list-style-type: none"> <li>• Cascades Inc.</li> <li>• Manulife Financial Corporation</li> </ul>                                     |
| Diversity and inclusion committees                  | <p><b>Suncor Energy Inc.</b><br/>                     Suncor's strategy and execution of the plans for diversity and inclusion is driven by a Diversity and Inclusion Council, which is comprised of senior leaders from each part of the business. The company's 2018 priority focus areas and accomplishments included establishing multi-year action plans and associated metrics for all major business areas in the organization, a continued focus on unconscious bias awareness training across multiple leadership levels and continued improvements to talent processes to broaden recruitment reach and reduce systemic bias.</p> <p><b>TELUS Corporation</b><br/>                     The company's Diversity and Inclusiveness Office leads the diversity and inclusiveness strategy across TELUS and works alongside the Diversity and Inclusiveness Council to develop and implement initiatives that promote diversity and inclusiveness. Among the Diversity and Inclusiveness Office's core mandates are</p> <ul style="list-style-type: none"> <li>• ensuring alignment between the company's diversity and inclusiveness strategy and its corporate priorities;</li> <li>• monitoring and measuring diversity and inclusiveness programs and best practices across TELUS; and</li> <li>• providing thought leadership by sharing diversity knowledge and expertise with TELUS leaders.</li> </ul>                              | <ul style="list-style-type: none"> <li>• Aecon Group Inc.</li> <li>• Intact Financial Corporation</li> <li>• National Bank of Canada</li> </ul> |

| Best practices for advancing women in the workplace |  |   |
|---|--|---|
|   | Examples of innovative leaders   | Other leaders   |
| <b>Flexible work arrangements</b>                   | <p><b>Intact Financial Corporation</b><br/>The Flexible Working Arrangement program at the company was created to meet the needs of employees who have responsibilities outside the office that are not easily managed within the traditional nine to five, five-day work week. The company also offers a Parental Leave and Benefits Program, which provides financial support to new parents during their leave of absence.</p> <p><b>Manulife Financial Corporation</b><br/>Increasing female leadership is a priority of the company's corporate strategy. The company has made tangible progress towards increasing female leadership by revising workforce policies around flexible work arrangements and family leave to better accommodate and retain female employees.</p>  | <ul style="list-style-type: none"> <li>• Boardwalk Real Estate Investment Trust</li> </ul>                          |
| <b>Building external partnerships</b>               | <p><b>Linamar Corporation</b><br/>The company is focused on expanding the diverse pool of talent it attracts globally. This includes building key relationships and strong strategic partners with organizations that include</p> <ul style="list-style-type: none"> <li>• Anishnabeg Outreach</li> <li>• Canadian Immigration Centre</li> <li>• Newcomer Centre of Peel Region</li> <li>• Ontario Works</li> <li>• Salvation Army</li> <li>• Second Chance</li> <li>• YMCA</li> </ul> <p>Additionally, Linamar has partnerships at 10 universities and colleges, including Wilfred Laurier University, the University of Guelph, the University of Waterloo, Western University and Conestoga College.</p> <p>Linamar's diversity initiatives are already broad based, including work with youth to interest more girls and young women into trades and technology careers both at the junior high and high school level; a very active program to recruit women into trades each year, which has resulted in nearly 50 female apprentices in just its Canadian facilities; and a scholarship program for women studying in the dual degree engineering and business program at Western University, which includes summer internship positions and a job offer on graduation.</p> <p>Linamar also has donated significant funds and time to diversity-oriented organizations and initiatives, such as its sponsorship and founding of an initiative to attract young women into the science, technology, engineering and mathematics fields of study.</p> | <ul style="list-style-type: none"> <li>• Canadian Imperial Bank of Commerce</li> <li>• TELUS Corporation</li> </ul> |

| Best practices for advancing women in the workplace                 |   |   |
|---|---|---|
|   | Examples of innovative leaders  | Other leaders   |
| <b>Building external partnerships (continued)</b>                   | <p><b>Royal Bank of Canada</b><br/>The bank focuses on accelerating the development of diverse leaders to strengthen its succession bench through a number of different initiatives, including its Women in Leadership Program; its leadership program for culturally diverse talent, called Ignite; and its founding partnership with the Queen's University Smith School of Business on a new LGBTQ+ executive program.</p>   |   |
| <b>Promoting a change in culture and removing systemic barriers</b> | <p><b>Finning International Inc.</b><br/>The company conducted a gender pay gap review across the company, which identified that approximately 1% of its workforce was affected by a gender pay gap. Based on the results of the review, company management established and implemented action plans to address identified gender pay gaps by the end of the first quarter of 2019.</p> <p><b>Teck Resources Limited</b><br/>Teck completed its second annual gender equity pay review in 2018, including an analysis of bonus and review rankings by supervisors, which found no evidence of a systemic gender pay issue, and assists in tracking progress of high-potential female employees.</p> <p><b>Chorus Aviation Inc.</b><br/>The board has determined that Chorus should employ a methodical approach towards building a team of women who can rise to executive officer positions. Chorus' approach includes: ...directing any search firm engaged to assist Chorus in identifying candidates for employment to include women and men; and ensuring that hiring managers throughout Chorus interview at least one woman and one man for every position to be filled at the management level or above, or explain why it was not possible to include at least one woman and one man in the interview process.</p> | <ul style="list-style-type: none"> <li>• Canadian Imperial Bank of Commerce</li> <li>• National Bank of Canada</li> <li>• Suncor Energy Inc.</li> </ul> |
| <b>Monitoring activities</b>  | <p><b>AGF Management Limited</b><br/>The Chief Operating Officer (during fiscal 2018, and who is now the President and Chief Administration Officer) and the Senior Vice President of Human Resources of the company partner with business leaders to review diversity initiatives and workplace demographics on a regular basis</p> <p>The Senior Vice President of Human Resources of the company reviews and assesses the organization's diversity metrics and statistics on a monthly basis with the Executive Leadership Team</p> <p><b>National Bank of Canada</b><br/>The bank has set up a three-year plan to reach its women's representation objectives. It has prepared a profile of future women leaders by identifying women employees who possess high potential and are likely to hold management or executive positions. The bank indicates that it regularly follows up on the progress made by the women in these positions. If the objectives are not met, the bank deploys targeted strategies by business segment to maintain the fair representation of women.</p>  | <ul style="list-style-type: none"> <li>• Bank of Montreal</li> <li>• SmartCentres Real Estate Investment Trust</li> </ul>                               |



## Going above and beyond – Best company disclosure

We review hundreds of examples of gender diversity disclosure of varying quality each year. Even after five years, there continues to be a significant number of issuers that fail to respond to all items under the Diversity Disclosure Requirements. There are also others for which the disclosure is merely a check-the-box compliance exercise. However, many companies are taking a much more thoughtful approach to their disclosure and are choosing to highlight the ways they think about promoting diversity in their organization both in response to and beyond the confines of the Diversity Disclosure Requirement itself. In this chapter, we highlight some of our favourite examples from this year. We hope doing so will provide a useful reference point for other issuers in considering their own approach to diversity and disclosure of their practices in the future.

### Disclosure of company strategy to increase diversity

#### TELUS CORPORATION

[2019 Management Information Circular, page 46](#)



#### **Diversity and inclusiveness**

TELUS' commitment to diversity and inclusiveness is a defining feature of our culture. Our team members have made it clear that this commitment is part of what makes them proud to be a part of the TELUS family. Our vision is to be a global leader in diversity and inclusion with a pipeline of top talent reflecting the diversity of our customers and communities at every level of the organization. These different perspectives, experiences and ways of thinking enable us to elevate our team members, spark innovation and inspire our customers.

At TELUS, we recognize the value and advantages of diverse ideas, and are committed to increasing the presence of underrepresented groups within key areas of our organization. We are focused on raising awareness of gender diversity within the business and technology fields, and providing a platform to support the next generation of diverse leaders and champions.

The disclosure shows that the focus on diversity at TELUS Corporation is pursued as a strategic initiative.

**BANK OF MONTREAL**[2019 Management Information Circular, page 48](#)

As part of the Bank's leading talent practices, we work to ensure gender diversity in our succession slates (which include three potential successors for every executive position), as well as in candidate slates for all open executive officer positions. To monitor our progress on the advancement of women and develop a healthy pipeline of female talent, we also:

- Identify top talent and implement development plans for high-potential women
- Monitor the number of women in senior leadership roles and those in the pipeline as emerging leaders at monthly talent roundtable meetings with senior leaders
- Through a sponsorship program, connect female talent with senior leaders to accelerate the development and advancement of high-potential women
- Identify and remove barriers that women commonly encounter in their careers to provide access to leadership and development opportunities
- Require that the profiles of diverse executives be reviewed and considered for openings on subsidiary boards

By achieving gender diversity and an equitable and supportive workplace, the Bank maximizes the potential of its workforce, broadens the perspective in decision-making and enhances client service throughout all lines of business.

This disclosure highlights the work this company is conducting regarding requiring that the profiles of diverse executives be reviewed and considered for openings on subsidiary boards to further their development.

**HYDRO ONE LIMITED**[2019 Management Information Circular, page 40](#)

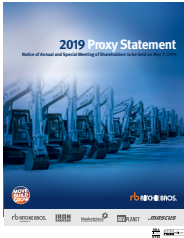
In 2018, after completing a company-wide Diversity and Inclusion Effectiveness Review, Hydro One refreshed its Diversity & Inclusion Strategy, created a Diversity & Inclusion model, and developed a multi-year plan that it began implementing in 2018. Our four strategic priorities are as follows:

- Governance:** We are developing structures and processes to support diversity and inclusion including creating a Leadership Accountability Framework and a Diversity and Inclusion Council made up of leaders and the chairs of our employee resource groups.
- Education and Development:** We are developing training on psychological safety, anti-harassment and respect in the workplace, beginning conversations on unconscious bias, piloting a mentorship program for women, and continuing to leverage and support our existing employee resource groups while creating new ones. In 2018 for the first time we celebrated Pride Month by flying rainbow flags in 27 of our locations across the province, distributing *I Stand for Inclusion* hard hat stickers, and launching a new PrideOne employee resource group for our LGBTQ2+ employees and their allies. On Indigenous Peoples Day, June 21<sup>st</sup>, we also launched an Indigenous Network Circle that is currently 60 members strong.
- Talent Planning:** We continue to support diversity and inclusion throughout the employee lifecycle. In 2018, our focus on recruiting women into executive roles continued and we promoted 3 female directors to a vice president role. Currently, approximately 36.4% of our executives are women. We also hired 6 Indigenous employees at different levels in the organization and increased our overall representation from approximately 2.3% to approximately 2.4% which is on par with Statistics Canada's 2016 labour market availability. Our focus for 2019 will be to continue with our diverse hiring, increasing the number of Indigenous employees hired to 8 and focus on attracting, recruiting and promoting women and visible minorities at all levels of the organization.
- Cultural Integration:** Our focus with this strategic priority is to integrate diversity and inclusion in to our corporate culture ensuring that it aligns with our core values. We have begun collaborating with individual lines of business to identify diversity and inclusion gaps within their organizations and supporting them to close those gaps.

This disclosure highlights the company's strategic priorities that resulted from a company-wide diversity and inclusion effectiveness review.

**RITCHIE BROS. AUCTIONEERS INCORPORATED**

[2019 Management Information Circular, page 36](#)



Mr. Saligram also recognizes that it is equally important to increase female representation at the mid-management level as these positions are the Company's pipeline for future executive officer roles. As such, the Company has continued to focus on recognizing high-potential women in our organization and, as a result, female representation at the Company's mid-management level and above has increased. In order to implement this initiative, the Company has:

- established a global diversity and inclusion function supported by executive officers to anchor diversity and inclusion in the business strategy and to connect talent strategies;
- structured a women's employee resource group to implement Company-wide innovative diversity initiatives relating to women. These initiatives provide networking, training, development and mentoring opportunities for women to realize opportunities for personal and professional growth, and further develop confidence in leadership roles;
- provided gender intelligence training to employees at director level and above to identify conscious and unconscious biases, with the aim of enhancing their appreciation of the value of diversity for the Company's shareholders, customers, employees and the communities we serve;
- developed a career website and recruiting collateral to include representation of the Company's diverse workforce which demonstrates our commitment to diversity and inclusiveness. The talent acquisition team was trained on diversity recruiting tactics and the Company ensures female candidates are identified and interviewed during the recruiting process;
- developed its talent management strategy to ensure diversity and inclusion integration into every aspect of its programs including succession planning, leadership development, learning, and identification and development of high potential talent using 360-degree assessments and coaching; and
- launched the Women's LINK Program, a global initiative to support women within the Company and further strengthen our core value of being a diverse and inclusive global organization to drive innovation through diversity of thought, gender, nationality and ethnicity.

The Company's management believes these initiatives and efforts will ensure a pipeline of diverse candidates and improve representation of women to be considered when making leadership and executive officer appointments. The Company is committed to providing an environment in which all employees are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

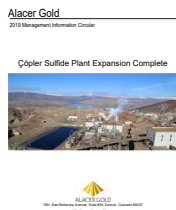
The above disclosure provides some additional steps that this company has developed to focus on recognizing high-potential women within the organization, including anchoring diversity and inclusion in the business strategy and to connect talent strategies.



## Disclosure of measurable objectives

### ALACER GOLD CORP.

[2019 Management Information Circular, page 27-28](#)



The Corporation is committed to developing a diverse workforce and is continually assessing opportunities to progress all levels of diversity across the organization. While the Corporation does not believe that adopting numerical quotas is in the best interest of its business nor its Shareholders, the Corporation has adopted specific and measurable objectives to ensure that the pool of candidates it considers for positions throughout the organization, including its Board of Directors, consists of the most diverse and qualified candidates available. To achieve this goal, the Board has adopted the following measurable objectives which are reviewed annually:

- **Diversity on the Board:** The Corporate Governance and Nominations Committee will require that a thorough outreach and search process be conducted for new positions or vacancies on the Board that ensures that the candidate pool reviewed by the Committee consists of a qualified and diverse group of individuals. The Board has identified the following key areas of focus for Board candidates: experience or skillsets that complement the Board; experience or nationalities related to the geographical regions where Alacer has or anticipates business interests; and increasing the representation of female Board members.
- **Diversity in Executive Management and across the Business:** The recruitment and development programs instituted by the Corporation will focus on ensuring that the Corporation has a diverse and qualified workforce at all levels of the organization. Recruitment measures will ensure that the pool of candidates considered consists of a group of qualified and diverse individuals and a key focus of the Corporation's development programs will be the identification and development of diverse individuals, including local nationals at the Corporation's mines.

The language above describes the company's strategy to adopt specific and measurable objectives to ensure that the candidates it considers at all levels of the organization are the most diverse and qualified candidates available.

### OCEANAGOLD CORPORATION

[2019 Management Information Circular, page 28](#)



The Company's measurable objectives for 2018 are as follows:

| Objective  | Progress towards achievement | Comments   |
|--|------------------------------|--|
| 1. Develop Diversity Standard to support the implementation of Employment & Diversity Policy | Achieved                     | In April 2018, the Diversity Standard was approved and made available to employees on the Company intranet.  |
| 2. Develop at least one (1) Diversity improvement initiative                                 | Achieved                     | Each Business Unit/Operation had implemented more than one (1) diversity initiatives which include local community engagement to promote culture awareness, education and training for women for technical roles, implementation of anti-bullying and anti-harassment procedures, and workshop on Women In Mining. |
| 3. Increase the representation of women in all roles   | Not Achieved                 | In 2018, women representation remains at 16% from 2017.  |
| 4. Diversity policy rollout at sites   | Achieved                     | Employment and Diversity policy has been rolled out across all our operations and added as part of the new starter's induction.  |

The proposed objectives for 2019 are: (a) develop at least one (1) strategy at each operation to promote workplace diversity and inclusion, (b) increase female workforce over a three (3) year period to 20%; (c) increase female leaders over a three (3) period; and (d) review gender pay equity for "like-for-like roles".

The above chart discloses the company's measurable objectives for 2018 and provides commentary on the progress towards achieving those objectives.



## Focus on pipeline – Disclosing diversity within the organization more broadly

### IA FINANCIAL CORPORATION INC.

[2019 Management Information Circular, page 45](#)



We are very close to achieving parity in terms of female representation among middle managers. This allows us to strive, in the medium term, towards parity for female representation among Vice Presidents.

To achieve this objective, we are promoting the following measures:

- Integrate the concept of diversity in our process of reviewing and analyzing succession candidates;
- Promote training and professional development programs internally, intended for high-performing women;
- Promote diversity through different tools, such as mentoring, flexible working arrangements and discussion groups;
- Improve our assessment and selection tools for potential candidates;
- Focus on entry-level management and middle management positions so as to build a succession of high-quality candidates;
- Continue our efforts to raise awareness by capitalizing on already implemented initiatives (such as the leadership circle for vice presidents and the development path focused on conscious leadership), which should provide leverage for achieving greater gender balance.

The above disclosure demonstrates the efforts to achieve parity of female representation among middle managers at the company, and how this allows the company to strive for parity for female representation among vice presidents.

### OCEANAGOLD CORPORATION

[2019 Management Information Circular, page 29](#)

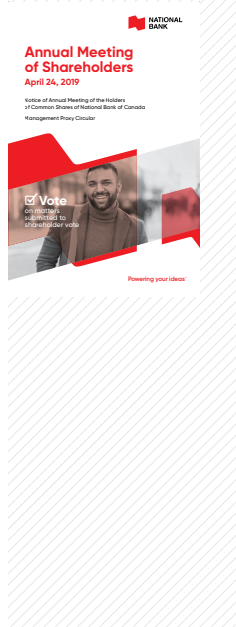


As at the date hereof, the Company has one female director, Dr. Nora Scheinkestel on its Board of seven directors (14% women representation). The Company also has two female executive member, Ms. Sharon Flynn, Executive Vice President – External Affairs and Social Performance and Ms Liang Tang, Executive Vice President, General Counsel and Company Secretary on the Company’s executive team of nine executives (22.2% women representation). In 2018, women accounted for approximately 16% of the entire workforce at OceanaGold.

|  | Male         | Female     | Total        | Total % of all Employees | Gender     |            |
|--|--------------|------------|--------------|--------------------------|------------|------------|
|  |              |            |              |                          | Male       | Female     |
| Executives                                     | 7            | 2          | 9            | 0.46%                    | 77%        | 23%        |
| General Managers                               | 13           | 0          | 13           | 0.66%                    | 100%       | 0%         |
| Senior & Group Managers                        | 23           | 5          | 28           | 1.42%                    | 82%        | 18%        |
| Manager, Superintendent & Senior Professionals | 123          | 38         | 161          | 8.17%                    | 76%        | 24%        |
| Supervisor & Professionals                     | 247          | 73         | 320          | 16.24%                   | 77%        | 23%        |
| General Staff                                  | 1,242        | 198        | 1,440        | 73.05%                   | 86%        | 14%        |
| <b>TOTAL</b>                                   | <b>1,655</b> | <b>316</b> | <b>1,971</b> | <b>100%</b>              | <b>84%</b> | <b>16%</b> |

The above chart provides a helpful visual of the information regarding women at several different employment and management levels at the company.

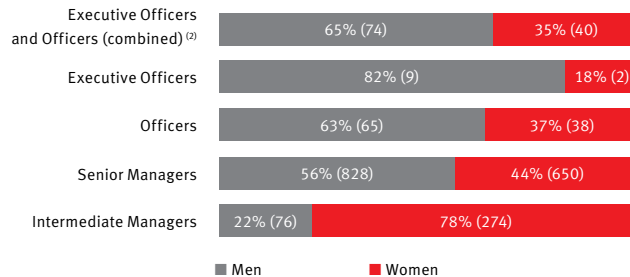
**NATIONAL BANK OF CANADA**  
[2019 Management Information Circular, page 44](#)



**Senior management and management <sup>(1)</sup>**

When appointing candidates to executive positions, the Bank considers the representation of women. Women currently account for **18% (i.e., 2/11)** of the Bank's Executive Officers and **35% (i.e., 40/114)** of the Bank's Executive Officer and Officer positions combined.

The following chart illustrates the representation of women and men who held Executive Officer, Officer, and manager positions at the Bank:



(1) As at January 31, 2019.

(2) Including the officers and executives of its subsidiary (NBF), the representation of women would be 33% (40/121).

The above chart illustrating the representation of women who hold executive officer, officer and manager positions at the bank provides disclosure beyond the corporate governance disclosure form requirements.

**SUN LIFE FINANCIAL INC.**  
[2019 Management Information Circular, page 28](#)



The following chart shows the number and percentage of men and women who are executive officers (members of the Executive Team), direct reports of the CEO and senior executives of the company as of January 31, 2019. The executive officers are also officers of Sun Life Assurance.

| Gender | Number of Executive Officers | Percentage of Executive Team Members | Number of CEO Direct Reports <sup>1</sup> | Percentage of CEO Direct Reports | Number of Senior Executives | Percentage of Senior Executives |
|--------|------------------------------|--------------------------------------|---|----------------------------------|-----------------------------|---------------------------------|
| Men    | 9                            | 75%                                  | 7   | 64%                              | 146                         | 66%                             |
| Women  | 3                            | 25%                                  | 4   | 36%                              | 76                          | 34%                             |
| Total  | 12                           | 100%                                 | 11  | 100%                             | 222                         | 100%                            |

<sup>1</sup> CEO Direct Reports includes 10 Executive Officers, and one Senior Executive that reports directly to the CEO.

The chart in the disclosure above provides a helpful visual breakdown of both percentages and numbers of women in board and senior management positions.

**NATIONAL BANK OF CANADA**  
[2019 Management Information Circular, page 45](#)



For several years, National Bank Financial Inc. subsidiary has been deploying strategies aimed at improving the representation of women in its workforce and at providing a more reflective portrait of the population.

Specifically, with respect to financial markets, efforts are focusing mainly on sales functions and manager positions. For these function categories, the representation of women has been growing for the past three years.

In wealth management, strategies to improve the representation of women are focusing on the pool of investment advisers. What's more, the proportion of women as new hires is trending upward, representing over one-third of the new hires in 2018.

The Bank has established a three-year diversity plan for reaching its women's representation objectives. It regularly monitors the evolution of the number of women in management and executive positions; works to identify, evaluate and analyze any potential gaps and representation goals in each business segment; and deploys targeted strategies to maintain fair representation of women throughout the organization at all times.

The overall target for representation of women among the Bank's Executive Officers and Officers is 40%. The Bank is focusing its efforts to achieve and maintain this target as part of the 2019 and 2020-2022 three-year diversity plans. The Bank has not set a target for senior management, as there are too few Executive Officers for a realistic target to be set. However, the succession plan is being monitored to ensure the fair representation of women among this group.

The above disclosure highlights the strategies targetted at improving the representation of women in divisions where women historically were under-represented.

## Reasons for not adopting targets

### KINROSS GOLD CORPORATION

[2019 Management Information Circular, page 112](#)



2019  
MANAGEMENT  
INFORMATION  
CIRCULAR

KINROSS

The policy recognizes gender diversity as one aspect of diversity which it seeks to promote within the company. Kinross has chosen at this time not to target a specific number or percentage of women. Instead, Kinross has established a framework that will enable the evolution of diverse employee representation, including women as executive officers and believes this is a more meaningful and sustainable approach to improving diversity and inclusion in the workplace. This framework will be grounded in meaningful activities, with an overarching goal of increasing the representation of women based on merit. As of March 1, 2019, the representation of women in executive officer positions within Kinross and its subsidiaries was at 8 women which was 15% (March 1, 2018: 10 women, 18%) of executive officer positions. Effective May 1, 2019, Ms. Andrea Freeborough has been appointed as Chief Financial Officer of Kinross, enhancing female representation at the highest levels of management.

Kinross will strive to include female candidates for all key position openings and consider the representation of women in making appointments, including for executive officer roles. However, in all cases the decision on hiring and promotion will be based entirely on merit. While the initial focus of these activities is gender, it is believed that actions taken to improve the environment and opportunities for women will be beneficial for all employees and increase diversity more broadly at Kinross globally.

The excerpt provides a meaningful response to the requirement to provide reasons why the company has decided not to consider targets regarding women on the board and in executive officer positions, including the framework established by the company that is intended to enable the evolution of diverse employee representation and commitment to including female candidates for consideration in key position openings, including senior officer roles.

### TRANSALTA CORPORATION

[2019 Management Information Circular, page 75](#)



TransAlta

Notice of Annual  
and Special Meeting  
of Shareholders and  
Management Proxy  
Circular

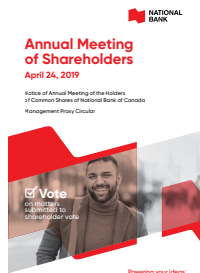
We have not adopted targets (as defined in National Instrument 58-101, *Disclosure of Corporate Governance Practices*) regarding women on our Board and in senior management positions. However, in early 2019, and as part of the Board's director identification and nomination process for the upcoming Meeting, the GSSC undertook a review of our Board and Workforce Diversity Policy to determine whether it may be appropriate to introduce gender targets for our Board or our executive leadership team. As a result of the relatively high proportion of women represented on the Board and executive team, the Board does not consider gender targets or quotas to be necessary at this time. When assessing an individual director candidate, the quality of such individual and his or her core competencies and strengths that can be brought to the Board is paramount. On this measure the Company is proud that it has been able to attract such high-quality Board members and to compose a Board that consists of at least 30% women, without reference to or reliance on gender targets or quotas. Consistent with our Board and Workforce Diversity Policy, the Company has historically and today remains committed to diversity, both with respect to gender in particular, but also with respect to other elements of diversity such as race, ethnicity, Indigeneity, disability, sexual identity/orientation and age.

We thought this disclosure provides a thoughtful and more fulsome response to the requirement to explain the reasons why the company has not adopted a target regarding women on the issuer's board and regarding women in executive officer positions of the issuer.

## Diversity beyond gender

### NATIONAL BANK OF CANADA

2019 Management Information Circular, page 43



#### DIVERSITY AND REPRESENTATION OF WOMEN ON THE BOARD AND IN MANAGEMENT

The Bank believes that diversity enriches the discussions had by the Board and by management. It recognizes the importance of having a representation among its directors that reflects the diversity of the Bank's clients, employees and shareholders. Various diversity-related initiatives have been deployed, in particular:

- 1 Action plans on diversity and inclusion**
  - The Bank creates action plans to meet the Bank's diversity objectives.
  - The Executive Officers are committed to executing these action plans in their respective areas.
- 2 Diversity Working Group**
  - The Diversity Working Group supports each sector with its diversity challenges and helps to maintain an organizational culture where diversity is a daily reality for all.
  - The group is composed of Officers and senior managers from all sectors of the Bank and is chaired by an Executive Officer.
- 3 Performance indicators and annual report**
  - The Bank has created tracking indicators and dashboards that provide a monthly snapshot of the diversity situation within the Bank and in each business segment.
  - A diversity status report is presented to the Executive Officers and Human Resources Committee such that they can monitor the progress in women's representation being made at the Bank and in each business segment.
- 4 The Board Diversity Policy**
  - In December 2018, the Board adopted a new policy regarding the diversity of the Board of Directors. Under that policy, the evaluations of new director nominees by the Conduct Review and Corporate Governance Committee are to be guided by an intention to bring together directors whose characteristics represent the communities in which the Bank is present and conducts business, such as gender, age, designated groups<sup>(1)</sup>, sexual orientation, ethno-cultural groups and geography.
  - The Board Diversity Policy can be found in the Governance subsection under "About Us" on the [nbc.ca](http://nbc.ca) website.

(1) Within the meaning in the *Employment Equity Act*, S.C. 1995, c. 44.

The disclosure above provides a good example of thought leadership with respect to consideration of diversity beyond gender. The disclosure provides that the board has adopted a new policy regarding the diversity of the board of directors where the evaluations of new director nominees are to be guided by an intention to bring together directors whose characteristics represent the communities in which the bank is present and conducts business beyond gender, to extend to characteristics such as age, designated groups, sexual orientation, ethno-cultural groups and geography.

The disclosure also highlights the company's efforts towards establishing and monitoring measurable objectives: the company has created various diversity-related initiatives including tracking indicators and dashboards that provide a monthly snapshot of the diversity situation within the bank and in each business segment. Diversity status reports are presented to senior officers and the human resources committee in order to monitor the progress in women's representation being made at the company and in each business segment.

**ALIMENTATION COUCHE-TARD INC.**

[2019 Management Information Circular, page 64](#)

**An inclusive workplace**

We have a large global workforce that spans many cultures, backgrounds and languages. We have several initiatives and policies that promote an inclusive and respectful workforce, including:

- cross-cultural training
- accommodating religious attire according to local practice
- improving our compliance with *Americans with Disabilities Act* standards
- an ageless workplace strategy that is relevant to at least four generations.

We are committed to developing more women, culturally diverse individuals and millennial leaders, so our leadership team is a clearer reflection of our customer and employee base. We try to promote from within, and recognize that we can only reach our leadership goals if we are committed to thinking about diversity in the hiring process at all levels of the organization.

We have invested in our millennial workforce, adapting to their unique needs, and fostered engagement with our employees at every level of the organization. We recognize autonomy, acknowledge empowerment and emphasize leadership and the opportunities to grow with the company. We strongly encourage our teams to stand out and become leaders, because we believe that our strength lies in the growth and development of our employees.

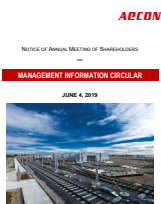
We thought this disclosure provides a description of the company's commitment to and thought leadership on diversity beyond gender within the organization.

## Including Indigenous people

A few issuers have chosen to highlight their efforts to include Indigenous peoples within the company.

**AECON GROUP INC.**

[2019 Management Information Circular, page 44](#)

***First Nations Outreach Program***

The engagement and participation of First Nations' members in Aecon's projects across Canada is a key part of Aecon's diversity and inclusion strategic plan. To this end Aecon established an outreach program for Canadian First Nations' members ("**First Nations Outreach Program**"). The first Nations Outreach Program involves the construction of remote training facilities in northern Ontario. Aecon then works with the Operating Engineers of Ontario Training to create education and training programs for the facilities.

The goal of the First Nations Outreach Program is to provide First Nations' members opportunities to establish careers in skilled trades. The First Nations Outreach Program also establishes job opportunities for graduates of the program.

We thought this was a good example of a company taking additional steps with regard to fostering opportunities with Canada's First Nations for the company's projects.

**CAMECO CORPORATION**

[2019 Management Information Circular, page 35 and 41](#)



**Female representation**

The board believes gender diversity is important, and our diversity policy requires at least 30% of directors to be female. Our most recent addition to the board in 2017 was a woman and we currently have three female directors, representing 33% of the nominated directors.



**Indigenous representation**

The board is committed to building long-lasting and trusting relationships with communities where we operate, and a significant portion of Cameco's operations are in

northern Saskatchewan. Our diversity policy requires at least one director to have an indigenous background and be from Saskatchewan to bring an understanding of the culture, heritage, values, beliefs and rights of the local indigenous peoples to the board. We have one indigenous director.

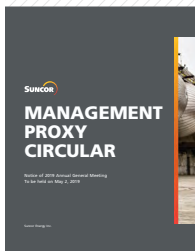
**Indigenous workforce**

Cameco is a leading industrial employer of First Nations and Métis people. Indigenous employees and contractors make up more than 44% of the workforce at our northern Saskatchewan operations. We also have a dedicated team of community liaisons working at satellite offices in key northern Saskatchewan communities with a focus on local workforce development and community engagement.

The disclosure provided by the company reflects the company's commitment to diversity, and in particular, inclusion of Indigenous persons at all levels of employment at the company.

**SUNCOR ENERGY INC.**

[2019 Management Information Circular, page B-5](#)



Suncor is committed to other aspects of diversity in addition to its initiatives to foster gender diversity. The Corporation has a strategy aimed at increasing the participation of Indigenous Peoples in energy development, including improving Indigenous workforce development at Suncor as part of Suncor's social goal of building greater mutual trust and respect with the Indigenous Peoples of Canada.

This disclosure highlights a company's strategy aimed at increasing the participation of Indigenous peoples in energy development, including improving Indigenous workforce development at the company.

## Acknowledging challenges

For some companies, a low proportion of female directors or executive officers on an absolute basis can mask the fact that relative to industry averages the company is achieving success in attracting and retaining women.

### THE STARS GROUP INC.

[2019 Management Information Circular, page 63](#)




Currently, the Board includes one female director, representing 16⅔% of the Board. In addition, the Board includes one director who is a member of a visible minority, also representing 16⅔% of the Board, and the observer to the Board is a member of a visible minority. The Board is actively continuing to seek to identify suitable director candidates to increase the Board's diversity, including by increasing the number of female directors serving on the Board to achieve its goal of having women comprise at least 25% of the Board. The Board has encountered several challenges while searching for suitable director candidates. Many companies in the online gaming, interactive entertainment or technology industries employ more men than women. This is particularly evident in technical roles and at senior levels. Because fewer women fill these roles, it is generally more difficult to find female directors with the requisite skill set, experience and background. In addition, as a Canadian incorporated and resident company, the Corporation strives to have as many Canadian directors as possible. This further limits the potential pool of qualified female candidates. The Corporation has also entered into the Nominee Agreement. See "*Business of the Meeting – Election of Directors – Appointment of Observer to the Board*".

At the workforce level, the Corporation has been focused on finding talent to grow and expand its business. It has focused on recruiting and retaining executive and other talent needed to develop and implement the Corporation's strategy, objectives and goals. The Corporation believes that maintaining a diverse and engaged

workforce can help mitigate risks related to low employee productivity, employee turnover and lawsuits regarding discrimination or harassment. Women represent approximately 29% of the Corporation's workforce as of April 12, 2019. Although the Corporation has two women in key senior management positions, currently none of the Corporation's executive officers are women, and as of the date of this Information Circular it has not adopted a target for female executive officers. The Corporation has identified a need to increase the number of women employees in the organization and to include diversity, including gender diversity, in its talent management programs, particularly for its senior management. As a result, the Corporation has begun identifying and reporting to senior management and the CGN Committee on the diversity of its workforce with a view to identifying diversity gaps, workplace policies to better recruit and retain female and minority employees and the Corporation's progress in increasing the number and proportion of female and minority officers and executive officers. The Corporation continuously evaluates its recruitment, development and retention practices, activities and initiatives to ensure that they help increase diversity and inclusion. For instance, the Corporation has revised its diversity statement on its career webpages and is currently providing periodic diversity and inclusion training for its workforce, including its hiring managers and talent teams. The Corporation is also in the process of reviewing certain of its tests, questionnaires and role profiles used in the recruitment process to ensure they are not biased or exclusionary in nature.

In the disclosure, the company acknowledges the challenges it has encountered while searching for suitable director candidates who are female, and sets out the steps it has taken to address its need to increase the number of women employees in the organization and to include diversity in its talent management programs, particularly for its senior management. The disclosure highlights that the company believes that maintaining a diverse and engaged workforce can help mitigate risks related to low employee productivity, employee turnover and lawsuits regarding discrimination or harassment.




**TECK RESOURCES LIMITED**[2019 Management Information Circular, page 35](#)


Notice of Meeting and Management Proxy Circular  
Annual Meeting of Teck Resources Limited to be held  
April 24, 2019

The Board believes that diversity at Teck can help create a stronger company. We recognize that women in particular are underrepresented in management roles within our company and within the mining industry as a whole. Although the number of women in leadership roles within Teck has almost doubled since 2010, women still represent only 18% of all employees (an improvement of 2% since 2017). We are committed to equality of opportunity and are taking concrete steps to strengthen the diversity of our talent pipeline and increase the representation of women in management roles within Teck. These include: proactively reviewing development plans for high-performing and high-potential women; identifying talented individuals for leadership development programs and encouraging them to apply for more senior roles; developing family-friendly policies for mid-career women to assist with recruitment and retention; and changing job descriptions and job titles to be more gender neutral and inclusive.

This company disclosure recognizes that women are underrepresented in management roles at the company despite improvements in the company's numbers over the past years. The company then sets out how it intends to address this issue.

**TRANSCONTINENTAL INC.**[2019 Management Information Circular, page 36](#)


MANAGEMENT PROXY CIRCULAR  
Annual Meeting of Transcontinental Inc.

**LEAPING FORWARD**

The Corporation is taking concrete measures to increase women representation at the senior executive level. However, in connection with its transformation, the Corporation has experienced changes in its organizational structure that have had an impact on women representation statistics. Presently, 32% of the senior executives are women. The previous year, 37% of the senior executives were women. This drop in women representation results principally from a lower number of women at the senior executive level in the manufacturing operations in certain countries, notably at Coveris Americas, recently acquired. The Corporation intends to improve such women representation.

The disclosure highlights that this company addresses head-on a drop in the representation of senior female executives compared to the previous year, provides a reason for the decrease and indicates the company's intention to improve the representation of women at the senior executive level.

**PAN AMERICAN SILVER CORP.**[2019 Management Information Circular, page 18](#)

While gender is only one aspect of diversity, it is a significant area of focus for us. In the jurisdictions in which we operate, mining has historically been considered an industry with few opportunities for women for a variety of reasons. Among other consequences, the mining industry has not been regarded as an attractive career choice for women, and this further perpetuates the traditionally low representation of female employees and leaders. We are actively trying to change that dynamic in our own business. For example, we have increased our emphasis on the recruitment and promotion of women, and are encouraging more female employees to participate in our mentoring and leadership development programs. Perhaps even more importantly, we are looking for opportunities to enhance awareness of diversity issues and to create a positive environment for change throughout our organization. We have established an internal diversity and inclusion working group at our corporate office to help us with this task. We are also keenly aware that our ability to attract highly qualified female candidates in the future is, at least in part, dependent on increasing gender representation in career fields relating to our business. As such, we also support a number of external programs that seek to inspire women to enter and stay in science and mining related careers, that promote women in mining and, more generally, that champion women in leadership.

The disclosure highlights that this company is actively attempting to address the traditionally low representation of female employees and leaders at the company that is typical of this industry sector by emphasizing recruitment and promotion of women, enhancing awareness of diversity issues and supporting external programs that seek to inspire women to enter and stay in science.

Osler's Corporate Governance Group provides practical and effective governance strategies tailored to the needs of each organization, regardless of size or jurisdiction. Andrew MacDougall and John Valley are both partners at Osler and specialize in corporate governance.

Jennifer Cao and Jennifer Jeffrey are associates at Osler. Ramz Aziz, Marleigh Dick, Aly Kim, Bradley Lastman, Tiye Traore are articling students and Madison Black, Dhananjay Ghildyal, Sunia Hassan, Reba Nauth and Janice To are summer students at Osler.

#### **About Osler, Hoskin & Harcourt LLP**

Osler is a leading law firm with a singular focus – your business. From Toronto, Montréal, Calgary, Ottawa, Vancouver and New York, we advise our Canadian, U.S. and international clients on an array of domestic and cross-border legal issues. Our collaborative “one firm” approach draws on the expertise of over 400 lawyers to provide responsive, proactive and practical legal solutions driven by your business needs. For over 150 years, we've built a reputation for solving problems, removing obstacles, and providing the answers you need, when you need them. It's law that works.

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**OSLER**