



**DISCLOSURES REGARDING THE REPRESENTATION OF WOMEN ON THE
BOARDS OF CANADIAN COMPANIES PUBLISHED IN MANAGEMENT
INFORMATION CIRCULARS**

FROM JANUARY 1 2015 to APRIL 30 2015

Gender Equality

A question of diversity or equality...

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Author Introduction



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Louise Champoux-Paillé has been working tirelessly for more than 25 years to champion women in senior roles at public and private institutions in Canada. Breaking new ground in a number of senior management positions, she has served as founding president of the Bureau des services financiers du Québec, executive vice-president and CEO of the Ordre des administrateurs agréés and president of Leucan, an organization that supports children with leukemia and other forms of cancer.

Her research and volunteer work with numerous organizations, including Groupe international de recherche en éthique financière (GIREF), have helped promote good governance and women's access to strategic roles. For nearly ten years Ms. Champoux-Paillé served as chair of the Board of Trade of Metropolitan Montreal's Comité Accès 51 and published directories to promote women's talents in society. She has remained actively involved by serving on the Conférence régionale des élus de Montréal's "pink tie committee" and facilitates women's access to senior management positions in her work as a mentor, teacher and social media monitor. Through her professional activities and extensive social and civic engagement, she has encouraged a new generation of female executives and administrators. An economist by training, Louise Champoux-Paillé holds an MBA and a master's degree in museology from Université du Québec à Montréal.

In 1994, she became the first woman to receive that university's Performance Award in recognition of her contribution to the community. She is a Fellow of the Ordre des administrateurs agréés. In 2012, the Québec government named Ms. Champoux-Paillé a member of the Ordre national du Québec. She currently chairs the board of directors of the Cercle des administrateurs de sociétés certifiés.

Summary

Over the first four months of the year, the vast majority of S&P/TSX 60 corporations have published their Management Proxy Circulars and have disclosed their diversity strategies in accordance with the provisions of Regulation 58-101 *respecting the disclosure of corporate governance practices regarding the representation of women on the board, and in the decision-making bodies of subject issuers.*

A review of these disclosures lead to the conclusion that many of these companies (38%) have committed to working towards increased gender diversity in their decision-making bodies by way of so-called *diversity* policies. These policies stipulate specific objectives for corporate boards. At the same time, stated objectives for executive officer roles are more rare. This discrepancy leads to concerns about the possibility of long-term change.

Although the regulation was not in effect in 2014, the percentage of companies dedicated to increased gender diversity was markedly higher than in the preceding year, where, according to a Governance Studio study¹, the percentage was capped at a mere 13%. The needle is moving in the right direction, yet only one company mentioned equality in their objectives: the National Bank of Canada.

This analysis found that women made up approximately 40% of new nominees for election as directors, which supports the observation made by the Spencer Stuart firm in their study entitled: *Canadian Spencer Stuart Board Index 2014*². Given the rate at which board renewals occur, it will take some time to reach the critical mass many are hoping for, and a long-term strategy will be necessary for large corporations if the rate of new female candidacies holds steady³: *«Is this utopian thinking? Not at all. One viable solution, according to a study by Yvan Allaire, would be to institute a policy of one woman for every two board vacancies, which would bring, with a board turnover rate of 7 per cent, the ratio of women on boards to close to 40 per cent in eight years. Alternatively, with an all-women policy for departing directors, we could be close to 40 per cent in four years. It seems to me that is a fair and value-added solution for all parties».*

Finally, we would like to emphasize that the desire for a diversity of professional opinions and perspectives is the most frequently cited reason in support of increased gender mixing, whereas equal access across genders is mentioned very rarely; this information allows us to design strategies that address the heart of the problem, specifically, the barriers and stereotypes that impede greater female representation

¹ <http://www.governancestudio.ca/wp-content/uploads/14-06-19Final-TSX-60-Diversity-Scan-Report1.pdf>

² <https://www.spencerstuart.com/~media/pdf%20files/research%20and%20insight%20pdfs/2014%20cssbi.pdf>
%20target=

³ <http://www.theglobeandmail.com/report-on-business/rob-commentary/knocking-down-the-barriers-to-boardroom-gender-diversification/article21885035/>

Introduction

On December 31st of last year, Regulation 58-101 *respecting the disclosure of corporate governance practices* was modified to include new disclosure requirements regarding the representation of women on the board, and issuers subject to the regulation. The regulation was adopted by all Canadian authorities with the exception of Alberta, British-Columbia, Prince Edward Island and Yukon.

In response to the OSC consultation conducted in 2013⁴, this new regulation requires TSX and non-venture issuers in the territories that adopted the regulation to furnish information about the female representation on boards and in executive officer positions following using a “comply or explain” disclosure model. Annual disclosures should address the following⁵:

- ✓ term limits and other mechanisms for replacing board members;
- ✓ policies on female representation on boards;
- ✓ consideration of female representation by the board of directors or candidature committee in the process of searching for and selecting candidates for directorship positions;
- ✓ consideration of female representation by the issuer responsible for the nomination of members to senior leadership positions;
- ✓ targets for female representation on boards and in executive officer positions;
- ✓ the number of women serving on boards and in executive officer positions.

Last March⁶, I published an initial report on the disclosures from Canadian companies subject to this regulation from January 1 to March 15, 2015. It was clear that there was some concern among directors about achieving greater female representation, yet few had any specific objectives or deadlines for executive officer positions.

The goal of this second document is to take stock of the disclosures from S&P/TSX 60 companies as of April 30, 2015 to determine if, generally speaking, the requirements were respected and to ascertain the companies’ level of commitment in regards to setting specific goals for the representation of women on their boards and in executive officer positions.

⁴ http://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20130730_58-401_disclosure-requirements-women.htm

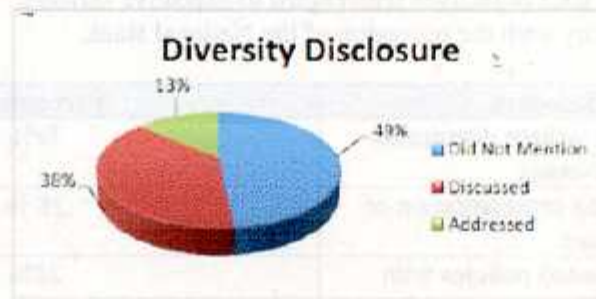
⁵ <http://www.lautorite.qc.ca/files/pdf/reglementation/valeurs-mobilieres/58-101/2014-10-15/2014oct15-58-101-avis-publication-fr.pdf>

⁶ <http://www.giref.uqam.ca/pdf/divulgation-representation-femmes-conseils-admin.pdf>

2014 Disclosures from S&P/TSX 60 corporations

Last year, the Governance Studio group⁷ published a document on the disclosures of S&P/TSX corporations regarding the steps they have taken to promote greater gender diversity. The primary conclusions were as follows:

- ✓ Only 13% had transparently addressed diversity and almost half did not mention the issue;
- ✓ 43% nominated three or more women to their boards;
- ✓ Only 35% of the companies had a percentage of female board members that was 25% or higher;
- ✓ Frequently, companies with higher numbers of women on their boards did not provide meaningful disclosure;
- ✓ Definitions of diversity are scarce and generally vague.



Three companies have stood out in the last year:

Cameco: for the quality of its definition of diversity, its policy, a goal and progress toward reaching that goal;

National Bank of Canada: for their policy, objectives and accomplishments;

GoldCorp Inc.: for their plans of action to increase diversity both in terms of their workforce as a whole and their management team

Many of these indicators will be used to help assess the impact of disclosure and actions taken by the companies studied.

⁷ <http://www.governancestudio.ca/wp-content/uploads/14-06-19Final-TSX-60-Diversity-Scan-Report1.pdf>

DISCLOSURES 2015: S&P/TSX 60

Summary of disclosures

Annexed to this report is a table with detailed results. The highlights of the data are as follows:

- ✓ over 20% have no written policy;
- ✓ 38% adopted a global diversity policy as the following excerpt from Yamana Gold illustrates:

The board is committed to respecting the principles of diversity and, along with the candidacy governance committee, recognizes the importance of diversity in terms of backgrounds, skills and experiences, as well as the representation of men and women, when evaluating potential candidates with the required skills and qualifications to serve on our board.

- ✓ Few companies state objectives with regard to executive officers.
- ✓ Few address parity with the exception of the National Bank.

Type of disclosure	Percentage
Reported a policy or written documents about diversity	76%
Written policies on the representation of women	38 %
Written female-oriented policies with deadlines	28%
Policies and objectives targeting women and executive officers	8%
Policy on current state of parity	Only one National Bank of Canada

We should emphasize that these are the businesses with three or more women serving on their boards who have adopted policies with objectives.

Number of women	No policy	With written, multi-criteria diversity policy	With policy and objectives and/or deadlines
No women	1	1	0
1 woman	2	0	1
2 women	3	8	2
3 women or more	5	9	15
Total	11	18	18

We should clarify that 7 businesses had not yet published their proxy circulars, and 6 had not addressed the topic in their circulars as they were in a jurisdiction that did not require such information.

Generally speaking, we should also note that the representation of women on these boards was determined to be 23%, distributed as follows:

Percentage	2014 Source: Governance Studio	2015
10% and less	12%	6%
11% to 20%	45%	32%
21% to 30%	25%	43%
31% and greater	18%	19%

Number of women	2014 Source: Governance Studio	2015
None	7%	4%
1 woman	15%	6%
2 women	35%	28%
3 women	23%	41%
4 women	20%	21%

Companies are engaging with objectives and targets

A review of disclosures from S&P/TSX 60 corporations from January 1 to April 30, 2015 revealed that a large number of these companies (38%) are taking the steps required to make progress. The following table lists the companies with a policy with specific objectives to be reached:

Objectives for female representation

Less than 25%	25% to 29%	30% to 39%	40% to 49%	50%
Agrium: EO, 15%/2019	CIBC Bank: BD 25-30%/2017	Brookfield: BD, 30%	BMO: EO, 40%/2016	BNC: CA, equality
	Banque Royale: BD, 25%/2017	Bombardier: BD, 30%/2018	BNC: EO, 40%/2016	
	Banque Scotia: BD, 25%/2017	Cenovus: BD 33%/2020		
	BCE: BD, 25%/2017	CN: BD, 33% in 2017		
	Bombardier: EO, 25%/2018	Enbridge: 33% BD and EO		
	Cameco: BD, 25%	Kinross: BD 33%/2015		
	GoldCorp: BD, 25%/2017	Manuvie: BD, 30%/2017		
	Telus: BD, 25%/2017	Sunlife: BD, 30%		

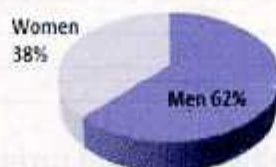
BD: board of directors; EO: executive officers

We should note that the majority of these companies are signatories to the Catalyst Accord⁸, which calls on member companies to accelerate change to help to increase the representation of women on FP500 boards to 25% by 2017, by setting their own objectives.

Approximately 40% of new nominees for election as directors are female

The number of new female candidatures is key to our understanding of how the issue is evolving, as it represents the medium-term potential for change. If the current trends persist through the end of the year, the percentage of new female nominees will have held steady at 40% for two consecutive years.

New Directors Named from January 1 to April 30, 2015
S&P/TSX 60



This statistic is encouraging as, if the rate of rotation for boards holds at a steady 7% (Spencer Stuart 2010) and the percentage of new nominations holds at 40%, the key percentage of at least 40% female representation in boards could be reached within 10 years, following the model developed by Yvan Allaire and Monique Lefebvre in an IGOPP document entitled: *Les femmes aux conseils d'administration : le temps des choix est venu !⁹* (*Women in the board room: the time for choice is now!*).

It is interesting to note that the women are on average slightly younger than the men (55 compared to 58). They have held slightly more directorship positions (2.5 compared to 2.0 for the males in terms of other boards on which they have served). A larger number of men have experience serving as a CEO (92% for men compared to 62.5% for women).

⁸ <http://nouvelles.bmo.com/press-releases/26-societes-de-premier-rang-signent-l-accord-catal-tsx-bmo-201406050950228002>

⁹ http://igopp.org/wp-content/uploads/2014/04/allaire-lefebvre_la_place_des_femmes_aux_conseils-10_janvier_2012.pdf

Methods to increase female representation

The disclosures often revealed specific methods employed by these companies to improve female representation on their boards and in executive officer positions. Here are a few examples:

Agnico Eagle: promotion committee with specific mandates

Going forward, the Company is developing a plan for a formal leadership council focused on the objective of increasing women in leadership positions. The focus of this council will be threefold: (i) identify any systematic barriers that may exist for women within the Company and barriers that may prevent Agnico Eagle from attracting key talent to join the Company; (ii) develop a sustainable network that engages women in the workplace; and (iii) support the development and implementation of strategies to increase the number of women in leadership positions in the Company. The leadership council will oversee the implementation of and monitor progress made in achieving the foregoing objectives, which will be revisited and evaluated on an ongoing basis, and will report to the Board on workplace diversity matters.

Agrium: Monitoring by board of directors

Agrium tracks and reports to the Board several gender diversity statistics, including: number of females receiving promotions and lateral moves, number of females at various hierarchical levels in the Corporation and the number of females in the high potential pool. We have also tested for discrimination with respect to compensation practices and found no bias. The Corporation offers bursaries to female and aboriginal students in certain key roles such as engineering, power engineering and crop consulting in order to build a diverse pipeline in these occupations.

Bank of Montreal: initiatives for nominations to executive officers

As part of the Bank's leading talent practices, we work to ensure diversity in our succession slates (which include 3 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
- Developed a sponsorship program connecting female talent with senior leaders to accelerate the development and advancement of high-potential women

National Bank of Canada: Recruitment initiatives for board members and a three-year plan to promote female representation in executive officer positions

This statement indicates that the Bank strives toward achieving gender parity between directors and that at least one-third of the Board directors be women by requiring that, in future, women make up half the nominees for director positions that become vacant.

To reach its objectives regarding representation of women within the organization, the Bank has established a three-year diversity plan and regularly monitors the evolution of the number of women in officer and management positions. It also works to identify, evaluate and analyze any potential gaps and representation goals by business segments, and deploy targeted strategies to maintain fair representation of women throughout the organization at all times.

National Bank of Canada

The global target for representation of women among the Bank's Executive Officers and Officers is currently 40%. The Bank focuses its efforts to reach and maintain this target as part of its 2016 three-year diversity plan. The Bank has not established any targets for Executive Officers, since they are too few for a target to be realistically set. However, the Bank oversees the succession group to ensure that fair representation of women is maintained.

Further, to ensure that all these strategies produce the desired results, the Bank has also adopted integrated monitoring indicator dashboards that capture a quarterly snapshot of the situation at the Bank, and in each business segment. In this respect, Executive Officers participate in the completion of diversity plans within their respective segments. Every year, a diversity status report is provided to them, as well as to the Human Resources Committee, illustrating the change in representation of women at the Bank and in all its business segments.

In addition, a working group on diversity, consisting of Officers from all sectors of the Bank and chaired by an Executive Officer, has been established to foster engagement in diversity challenges for each sector and help maintain an organizational culture where diversity is a daily reality for all.

Kinross: Working conditions

The Kinross Way for Diversity and Inclusion is supported by a number of activity based measurements specifically aimed at increasing the representation of women at Kinross globally, and is focused on recruitment, management development and succession. These include activities to assess the reasons female employees are attracted to work at Kinross and its subsidiaries as well as exit interviews to determine any unique reasons that women leave Kinross and activities to expand our inclusion of women in succession planning pools and in development programs. 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.

Manulife: succession planning and talent management

Diversity Objectives and Initiatives

Manulife believes that a diverse workforce, especially in leadership roles, can enhance organizational performance, foster innovation and improve business results. Diversity at Manulife is aligned to our focus on our customers and as such we work to have a workforce that is representative of the customers we serve, including having greater representation of women in leadership. We do not have a formal policy on the representation of women in senior management; however, increasing the representation of women in senior management has been identified as a priority in our Corporate Strategy. We have embedded diversity practices into our global talent management programs by including gender diversity results in workforce reporting to senior management and the Board, and incorporating an annual review and discussion in our annual global talent and succession review process. To assist in specifically increasing the representation of women in senior leadership positions, including executive officer roles, the following formal diversity programming has been initiated:

- ✓ Internal and external training and development programs focused on high performing women. For example, we offer women the opportunity to participate in regular influencing skills for women workshops facilitated by the Niagara Institute.
- ✓ Support provided for the development of internal employee communities for women (Manulife Global Women's Alliance) that focus on professional development and networking. To further exposure and impact, each chapter of the Global Women's Alliance has an Executive Sponsor at a minimum of the senior management level (Vice President and higher) and in some cases at the country General Manager level.
- ✓ Establishment of external partnerships with leading networks that support the advancement of women. Such organizations provide opportunities to continuously share best practices while leveraging events and educational sessions to engage people leadership across the organization. Key partnerships include Women in Capital Markets and Catalyst, a not-for-profit think-tank focused on the advancement of women in business.
- ✓ Enhanced sourcing, assessment and selection tools to ensure diversity and that the representation of women in senior leadership roles is a consideration. For example, all vacancies up to and including Vice President roles are posted internally/externally; we use a formal recruitment process for selection, including standard interviewing procedures and tools. Additionally, we have begun to ask all executive search vendors to ensure diverse slates of candidates, with a focus on women.

Potash: dedicated committee

Corporation prides itself on developing its employees internally and providing them with opportunities to advance their careers. While there are currently no targets with respect to women in executive officer positions, the Corporation recognizes that in order to achieve a better, more representative balance of women in executive officer positions, it must ensure that this talent "pipeline" is properly developed. In 2014, the Corporation launched an internal development program called "Growing Leaders" for high-potential talent from across the company and 27% of participants of this program to date are women.

Telus: inclusion in compensation objectives

Corporate social responsibility index ¹	0.78, which was below the objective of 1.0
EIT and Board diversity	20%, which met the personal performance objective
TELUS team engagement	85%, which was up two points over last year and met the personal performance objective of 85%

Conclusion

A lingering concern

Within the framework of my research, one study in particular caught my attention: it had to do with the motivations that drive companies to promote female access to boards. This European study¹⁰ identified the following reasons:

Most Reported Reasons for Promoting Diversity 2011

Country	1	2	3
Norway	Business case (26%)	Equality / Human Rights (10%)	Broader board perspective / avoiding group-think (3%)
Australia	Equality / Human Rights (82%)	Business case (74%)	Broader board perspective / avoiding group-think (72%)
UK	Equality / Human Rights (52%)	Business case (48%)	Broader board perspective / avoiding group-think (48%)
Spain	Equality / Human Rights (86%)	Business case (19%)	Broader board perspective / avoiding group-think (14%)
Belgium	Equality / Human Rights (15%)	Broader board perspective / avoiding group-think (5%)	
	Business case (15%)		

One observation from this study merits a specific mention: «*The case for board diversity based on equity and fairness is normative. The human rights case aims to convince firms to increase the diversity of boards on the grounds that it achieves for society an outcome that is more equitable and, in some sense, fairer. It promotes balanced representation, avoids stereotyping and emphasises inclusiveness regardless of similarities or differences between men and women or between other groupings. The emphasis is upon equality of opportunity for all.*»

Few Canadian companies made any reference to diversity in their justifications. Yet if we wish to enact lasting change, we have to see the problem for what it really is: **a question of equity, not diversity**. We can therefore work on the obstacles and hindrances that impede women's advancement into senior positions, as Sylvie St-Onge and Michel Magnan argue in *Les femmes au sien des conseils d'administration : bilan des connaissances et voies de recherche futures*¹¹: «The studies show that the individuals reviewing candidates' potential for advancement tend to choose men, because they have a male construct of leadership or power and are unable to envision a woman in a leadership role (Alimo-Metcalfe, 2007; Calàs and

¹⁰ Listed Companies' Engagement with Diversity: A Multi Jurisdictional Study of Annual Report Disclosures. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2306932

¹¹ <http://fcs.revues.org/1292?lang=en>

Smircich, 1998; Chicha and Charest, 2010; Grant and Porter, 1994). Consequently, there is reason to believe that the same bias influences the appointment of members to boards. Making no attempt to conceal her discouragement, Alimo-Metcalfe (2007) asks if women are faced with a glass ceiling or rather one made of reinforced concrete! The underrepresentation of women on boards also frequently reveals indirect or systemic forms of discrimination³. In this form, certain requirements that appear neutral and justifiable and are applied to all candidates competing for directorship positions could lead to women being excluded from board positions or could limit their access (results or unequal impact). For example, the tendency to want to recruit CEOs and retired CEOs onto boards - because they are perceived as more capable of overseeing or advising management (Spencer Stuart, 2012) - leads to the exclusion of qualified candidates because women rarely are or have been CEOs. In the United States, only 3% of the 500 or the 1000 biggest companies are directed by women (Catalyst, 2010). Despite the fact that requirements are equally or uniformly applied to men and women, women remain on unequal footing.”

S&P/TSX 60

Companies subject to regulation that disclosed and published their management information circulars as of April 30, 2015

Company	2014 ¹² Disclosure Objectives	2015 No written policy	2015 Multicriteria policy	2015 Policy with goals	2015 Policy with goals and deadlines
Agnico			✓		
Agrium					✓
BMO	✓				✓
Banque Scotia					✓
Barrick			✓		
BCE					✓
Bombardier					✓
Brockfield				✓	
Cameco	✓			✓	
CIBC	✓				✓
CNRail					✓
CPRail			✓		
Canadian Tire	✓	✓			
Catamaran	✓	✓			
Cenovus				✓	✓
Enbridge				✓	
Encana			✓		
First Quantum			✓		
Fortis			✓		
George Weston		✓			
Goldcorp Inc					✓
Husky			✓		
Kinross					✓
Imperial Oil			✓		
Inter Pipeline		✓			
Loblaw		✓			
Magna		✓			
Mamvue					✓
Banque Nationale	✓				✓
Pembina			✓		
Potash		✓			
Power			✓		
Restaurant Brands		✓			
Rogers		✓			
RBC					✓
Silver Wheaton		✓			
SNC		✓			
SunLife				✓	
Suncor			✓		
Teck			✓		
Teles					✓
Thomson			✓		
TD			✓		
TransAlta			✓		
TransCanada			✓		
Valent			✓		
Yamana Gold			✓		

¹² Governance Studio