

CBDC NEWS AND VIEWS/ NOUVELLES ET POINTS DE VUE CCDA

JUNE / JULY 2011

CORPORATE MEMBERSHIP

The CBDC now offers Corporate Membership. We are pleased to welcome our newest corporate member, **PotashCorp**. They join the roster of leading organizations dedicated to supporting the Council and our efforts to increase diversity on boards. Corporate Members are promoted on the CBDC website and receive a 10% discount off 'Get on Board' Education Program fees.

If you are interested in becoming a corporate member, please visit our website at www.boarddiversity.ca or contact Pamela Jeffery at pjeffery@boarddiversity.ca

'GET ON BOARD' EDUCATION PROGRAM FALL SCHEDULE

Vancouver	Calgary	Calgary	Calgary
Introductory	Introductory	Intermediate	Advanced
Sept. 22, 8-1	Sept. 30, 1-5	Sept. 30, 1-5	Sept. 30, 8-12
Oct. 5, 8-1	Oct. 12, 8-1	Oct. 20, 1-5	Oct. 13, 1-5
Oct. 18, 1-5	Oct. 20, 8-12	Nov. 3, 12-5	Nov. 17, 1-5
		Nov. 24, 1-5	Dec. 7, 8-1
			Jan. 11, 1-5
Toronto	Toronto	Toronto	
Introductory	Intermediate	Advanced	
Oct. 4, 1-5	Oct. 5, 8-12	Oct. 4, 1-5	
Oct. 18, 8-1	Oct. 19, 1-5	Oct. 19, 1-5	
Nov. 1, 8-12	Nov. 15, 8-1	Nov. 3, 8-12	
	Nov. 29, 1-5	Nov. 15, 8-1	
		Dec. 8, 8-12	

NEW CBDC CORPORATE GOVERNANCE AWARDS

The Council, for the first time with the **Maytree Foundation** presented the CBDC Corporate Governance Award at their 2010 Diversity in Governance Awards. The Awards recognizes companies in the corporate sector for their excellence in the area of board diversity. We are proud to announce **TD Bank Group** as the recipient of this year's CBDC Corporate Governance Awards. Congratulations to the team at TD Bank Group!

Five of TD Bank Group's 15 independent directors are women and one is from a visible minority group. At 33% TD is above their peer financial institution average of 26% for representation of women in the slate of independent directors nominated in 2011.



Left to right: Pamela Jeffery, Founder, Canadian Board Diversity Council; Ratna Omidvar, President, Maytree Foundation; Alan Broadbent, Chairman, Maytree Foundation; John M. Thompson, Director, TD Bank Group

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A Call to Action

By Pamela Jeffery

It will take courage and enlightened leadership to change board composition, but it can be done

In October 2010, with the participation of 450 FP500 corporate directors, the Canadian Board Diversity Council in partnership with KPMG published the first-ever baseline study of corporate board diversity. The results were disappointing: 15% of board seats are held by women; 5.3% by visible minorities; 2.9% by persons with disabilities; and 0.8% by Aboriginals including First Nations, Inuit and Métis. In spite of these results, the Council does not support the introduction of quotas in Canada. We support a made-in-Canada approach: collaboration with FP500 directors, our growing group of member companies, governments, academic institutions, aspiring directors, individual shareholders and institutional investors to speed up the pace of change.

Why is diversity important? According to global accounting firm Ernst & Young, successful management of diversity may lead to business benefits or competitive advantages, but failure to adequately address it can present a risk to a company's ability to innovate, attract clients and partners or keep pace within its industry.

In February, the Council began roundtable discussions in Vancouver, Calgary and Toronto with FP500 directors to find out what they had to say about diversity. The majority of directors expressed their desire to increase the diversity of their boards, but confessed a lack of understanding of the definition of diversity and asked where to find new directors since their own networks are almost exclusively made up of white men. We discussed the council's education program that over 200 aspiring directors have completed to become board-ready and how the Council could connect these individuals with their boards.

At the roundtable discussions, directors whose boards have re-defined diversity to include gender, ethnicity and aboriginal background described how they believe they make better board decisions as a result of this diversity. Why? Because important, diverse perspectives on customers, international markets and stakeholders that had been missing were represented, leading to better discussions and an improved ability for directors to carry out their responsibilities and increase shareholder value.

It will take courage and enlightened leadership for FP500 directors to change the composition of their boards. But with a large number of directors retiring over the next five years, now is the time for action. The Council calls for FP500 boards to replace one of every three retiring directors with a director of a diverse background. To do this, according to executive search firm Odgers Berndtson, boards must have recruiting processes that are rigorous, documented and transparent. When hiring a search firm, boards need to demand a diverse short list of board-ready candidates.

Will the Council's collaborative approach lead to the desired results? The world is watching. Seven months ago, the Council presented its research and strategy to increase board diversity without quotas to corporate governance leaders from around the world in Washington at the invitation of the World Bank. We invite FP500 directors to embrace our Call to Action. It will mean more boards comprised of directors who are the most qualified in a greatly-expanded talent pool. How can this not contribute to improved corporate governance and shareholder value when it reduces the risk to the corporation inherent in digging deeper into the same smaller talent pool?

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CBDC is committed to advancing board diversity in Canada by leading through:

- Conducting research on the status of diversity on Canadian corporate boards
- Building a robust network of business leaders committed to board diversity, including highly-skilled diverse professionals interested in board work.
- Providing excellence in governance education programming to build a greater pipeline of highly-skilled diverse board candidates
- Educating CBDC members and the governance community on board diversity best practices and principles.

Founding and Corporate Membership Benefits:

- **LEARN & CONTRIBUTE:**
Opportunities to learn about board diversity best practices and principles, and contribute to the leading governance initiative tracking the status of Canadian corporate board diversity and increasing the pipeline of highly-skilled diverse board candidates
- **NETWORKING PARTICIPATION:**
Membership in the CBDC's growing network of business leaders committed to diversity in governance, including complimentary attendance at our launch event for the CBDC's 2011 Annual Report Card in Fall 2011
- **OPPORTUNITIES FOR DISTINCTION:**
Admission for consideration for the CBDC's new Award, CBDC Diversity in Governance Award, which will be announced in Fall 2011 during the release of our 2011 Annual Report Card
- **RECOGNITION:**
CBDC's media coverage and public recognition as an organization committed to diversity in governance and leadership, facilitating opportunities to enhance stakeholder relationships and attract top talent from Canada's increasingly diverse population
- **PROGRAM COST SAVINGS:**
Reduced enrollment fee for select managers and executives in the CBDC's 'Get on Board' Governance Education Program taught by directors and governance experts across the country

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Board Diversity Best Practices Roundtable

Together with co-sponsors Ernst & Young and Odgers Berndtson, the Council will hold seven Roundtables in October and November in Calgary, Toronto, Montréal and Vancouver. 43 FP500 organizations were represented by their Directors in our Winter Roundtables.

Our purpose in organizing the Roundtables is to provide a forum for Directors to share board diversity best practices and to take away tools to implement their own board diversity guidelines/policy. Board diversity remains a challenge for many FP500 organizations. We appreciated the candour of the discussions and fully support the Board imperative of identifying individuals with the competencies and judgment to fulfill their roles as Directors and increase shareholder value. To do so, the Council believes the entire talent pool of qualified individuals needs to be considered by FP500 boards when replacing retiring Directors.



2011 Annual Report Card

We are sending out the 2011 Survey in early July to 1,733 Top 100 Charity Directors and approximately 3,288 FP500 Directors in 274 FP500 organizations in five sectors: Finance and Insurance; Mining, Quarrying, and Oil and Gas Extraction; Retail Trade; Manufacturing (Durable and Non-Durable Goods); and, Utilities. Thanks very much to co-sponsors KPMG and Conference Board of Canada. Watch for the release of the 2011 Annual Report Card in October!

CBDC READS

[Diversity Rules](#)

Financial Post Magazine June Issue

[Getting women to the top is still an uphill battle](#)
Today

[Diversity Challenges-Stereotyping](#)
Technorati

[Management Is the Key to Growth: Make it Authentic](#)
Forbes

[Women and Minorities on Fortune 500 Boards](#)
2010 Alliance for Board Diversity Census

**Leading in Advancing Diversity on
Canada's Boards**



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