

*****EMBARGOED UNTIL NOV. 19*****

Canada holds great promise as a leader in board diversity, but the pace of change is too slow

Canadian Board Diversity Council's sixth Annual Report Card on board diversity finds corporate boards continue to lag behind in diversity

Toronto, ON, November 19, 2015 – Eighty-two per cent of directors from FP500 organizations say they have a diverse board. According to data released today in the Canadian Board Diversity Council's (CBDC) sixth Annual Report Card (ARC), this is highly unlikely. The pace of change is moving at a glacial pace when it comes to female representation on boards.

One year after the Ontario Securities Commission's (OSC) new "Comply or Explain" disclosure requirements came into effect in December 2014 requiring Canada's corporate boards to report the number of high-ranking women they have on board and clarify their diversity policies, representation remains low. The 2015 ARC revealed that women today hold 19.5% of FP500 organization board seats, up from 17.1% in 2014. While this represents the largest one-year increase (2.4%) since 2001, the pace of change just isn't fast enough. In the UK, for example, there are no all-male FTSE100 boards and only 15 all-male FTSE250 boards. In contrast, there are 109 all-male boards on the FP500.

"This year's Annual Report Card results are telling: the pace of change for board diversity is encouraging, but there is more work that needs to be done," said CBDC founder Pamela Jeffery. "Canada has an opportunity to be a global leader when it comes to gender parity on boards. We need both a voluntary and concerted effort by directors and organizations to achieve greater gender diversity."

In fact, if each organization on the FP500 replaced one retiring male director with one female director, Canada would be among the leading countries for gender board diversity at 30% female representation.

"Comply or Explain" rules are making an impact, but the gap between perception and reality persists

According to the ARC, the OSC's "Comply or Explain" disclosure requirements are making a difference. When surveyed, almost half (49%) of directors indicated their board has a written diversity policy – up from only 25% last year. This information contradicts data from the OSC. In the [OSC's report released September 28, 2015](#), of their sample issuers, only "14% clearly disclosed the adoption of a written policy, whereas 65% disclosed that they had decided not to adopt a written policy." Confused? So is the CBDC. There is a clear difference in director perception of board diversity and reality.

"This past year, regulators in Canada sent a clear message to the boards of Canadian organizations: the pace of change in fostering diversity is too slow," said Dr. Michael Bloom, Vice President, Industry and Business Strategy, The Conference Board of Canada. "The findings of this year's Annual Report Card show that the newly introduced board disclosure requirements on diversity are having a positive impact. However, achieving the goal of truly diverse boards with representation from women, Aboriginal peoples, visible minorities and people with disabilities will require much more of a leadership focus."

"Diversity forms the foundation of Canada's cultural landscape," said Bill Thomas, CEO and Senior Partner, KPMG. "Through this landscape, we create a society that promotes creativity and innovation, ultimately enabling us to become competitive in today's complex global economy."

Additional facts from the 2015 Annual Report Card

- Since 2014, there has been a significant increase in the number of directors who self-report to be a visible minority, nearly tripling to 7.3% from 2.0% last year.
- The number of Aboriginal board members increased from 0.8% in 2014 to 1.3% in 2015.
- An overwhelming 96% of FP500 corporate board respondents say that board diversity is either very important or somewhat important, a substantial increase from 85% in 2010.
- Both the Utilities and Finance and Insurance sectors continue to positively influence the overall representation of women on boards, with 27.1% and 27.0% respectively.
- The Mining/Oil/Gas sector lags behind at 810 board seats and 12.2%. Construction is the lowest reported sector at 9.3%.
- Despite the higher than average rates of women directors on TSX60 boards (22.6%, up from 20.1% in 2014), there are only 20 visible minority directors, two Aboriginal directors and one person with a disability among the 31 organizations that completed the 2015 TSX60 survey.

The Council is calling on boards to:

1. Consider three [board-ready](#) diverse candidates for each open board seat;
2. Replace at least one of every three retiring directors with a director of a diverse background;
3. Encourage individual directors to act as sponsors of high-potential executives who have the requisite skills and credentials to serve on an FP500/TSX60 board; and,
4. Join the Council to obtain support for your board diversity efforts.

The Council provides the tools and resources to help corporate boards boost their diversity. The CBDC's [Diversity 50](#) is an annually released cohort of 50 diverse, qualified candidates ready for corporate board director appointments. Furthermore, the [Get On Board Governance Education Program](#) is designed to complement existing director education programs, equipping board-ready, high-potential candidates with the tools to pursue board placement.

For more information about the Annual Report Card and the CBDC, visit www.boarddiversity.ca.

Methodology

FP500 Survey

The Conference Board of Canada undertook the survey on behalf of the Canadian Board Diversity Council. CBDC built its list of directors through public data filed with the Canadian Securities Administrators through SEDAR for public companies and a review of publicly-available information for FP500 organizations who do not file information with the CSA. CBDC follows Catalyst's list of exclusions from its 2013 census. A survey was distributed in July 2015 to 4,020 Board Chairs and Directors of FP500 organizations. An individual serving on two Boards received two surveys. Participants had the option of completing the survey online via a secure, password-protected survey website or completing the hardcopy survey and returning via postage-paid envelope. The survey was available for completion in French and English. The survey was completed by 382 FP500 board directors in July/August 2015. This is a robust sample of FP500 directors and results are accurate within +/-4.77% at a 95 per cent confidence level. Respondents come from 189 of the FP500 organizations. In addition, the FP500 Industry Codes were used to match organizations against the North American Industrial Classification System (NAICS).

TSX60 Survey

The Conference Board of Canada undertook the TSX60 survey on behalf of the Canadian Board Diversity Council. The survey was distributed in July 2015 to the Corporate Secretaries of the TSX60 organizations. Participants completed the survey online via a secure, password protected survey website. The survey was available for completion in French and English. The survey was completed by 31 corporate secretaries representing boards of TSX60 organizations from July to September 2015.

About the Canadian Board Diversity Council

CBDC is the leading Canadian organization advancing diversity on Canada’s boards. Founded in 2009, the Council has since grown to 60 Founding and Corporate Member organizations that are committed to greater diversity in the Canadian workplace. The Council’s goal is to improve the diversity of Canada’s corporate boards. The Council's definition expands the traditional board definition of industry experience, management experience, functional area of expertise, education, geography and age to also include gender, visible minorities, Aboriginal peoples and people with disabilities.

-30-

Contact:

Pamela Jeffery
Founder, Canadian Board Diversity Council
416-361-1475 ext. 243
pjeffery@boarddiversity.ca

Media Contact:

Stephanie Weiland
Edelman Public Relations
416-850-0711
Stephanie.Weiland@edelman.com