

CBDC Releases Annual Report Showing Only a Sliver of Growth in Representation of Women on Boards

The Canadian Board Diversity Council challenges Corporate Canada to boost board-level diversity for improved performance and shareholder value

TORONTO – November 2, 2016 – The Canadian Board Diversity Council (CBDC) released the seventh Annual Report Card (ARC), which outlines that the pace of change for diversity on FP500 boards is moving but at an almost static pace.

The 2016 ARC revealed that women today hold 21.6% of FP500 organization board seats, up from 19.5% in 2015. While this represents a 2.1% increase, the pace of change for gender diversity is actually decreasing (it rose 2.4% in 2015, the largest increase since 2001).

“Diversity is better than groupthink to drive the financial performance of a company,” says Sherri Stevens, CEO of the Canadian Board Diversity Council. “It leads to better discussion, greater diligence in decision-making and, ultimately, improved financial performance and shareholder value. More top executives are recognizing this connection between diversity and performance, but what we need now is a greater sense of urgency to implement policies and create change.”

Though the Ontario Securities Commission (OSC) created a “Comply or Explain” mandate in 2014 to require companies to include a gender diversity policy (or publicly explain why they won’t), there hasn’t been an appreciable impact on the number of boards with written diversity policies. In 2016, only 46.4% of FP500 director respondents have reported having a written diversity policy, down from 49% in 2015.

“It is encouraging to see that the majority of FP500 directors support OSC’s new disclosure requirements and feel as though it will drive corporate boards towards gender parity within the next 20 years,” says Dr. Michael Bloom, Vice-President, Industry and Business Strategy of The Conference Board of Canada, the organization that collects and analyzes research for the ARC. “Directors must now take it upon themselves to go beyond traditional recruiting tactics and work to drive significant change in the composition of their boards. The message that board diversity is a crucial item that both regulators and shareholders expect has been clearly delivered. It is up to directors to show that they are listening.”

The ARC also measures other aspects of FP500 boards to include a broader definition of diversity. This year’s data reveals a decline in directors who self-report as a visible minority, down more than a third since 2015, returning to the average we have seen over the years. Board members with disabilities has seen a slight increase, while the number of Aboriginal FP500 directors has decreased from 1.3% in 2015 to 0.6% in 2016, the lowest reported level since 2010.

This year, CBDC asked FP500 directors for the first time about their sexual orientation as a new factor of diversity. Among the FP500 director respondents, 2.1% identified as being part of the Lesbian, Gay, Bisexual, Transgender and Queer/Questioning (LGBTQ) community.

CBDC provides the tools and resources to help corporate boards boost their diversity efforts, including the 2016 [Diversity 50](#) list which will be released on November 17th and features a cohort of 50 diverse, qualified candidates ready for corporate board director appointments. Additionally, CBDC’s [Get On Board Governance Education Program](#) is designed to complement existing director education programs, equipping board-ready, high-potential diverse candidates with the tools to pursue board placement.



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

About the Canadian Board Diversity Council

The Canadian Board Diversity Council (CBDC) is the leading Canadian organization advancing diversity on Canada's boards. Founded in 2009, CBDC has support from its Founding and Corporate Member organizations that are committed to greater diversity in the Canadian workplace. CBDC's goal is to improve the diversity of Canada's corporate boards using a definition that expands the traditional board definition of industry experience, management experience, functional area of expertise, education, geography and age to also include women, visible minorities, Aboriginal peoples, people with disabilities and the LGBTQ community.

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