

Diversity Disclosure Practices in corporate Canada: Is progress being made?



Over the last year, institutional investors, regulators and the media have accelerated their focus on the diversity of board and executive teams in corporate Canada – but are TSX-listed companies responding? The survey results published in our fourth annual report on diversity disclosure practices relating to women in leadership roles by TSX-listed companies are encouraging, but they reveal more work needs to be done at the board level and results at the executive officer level remain disappointing.

Diversity Disclosure Practices 2018 provides an updated snapshot on the representation of leadership roles in corporate Canada. Our Corporate Governance Group conducted an extensive review and analysis of diversity disclosure by TSX-listed companies, summarizing survey results for the full 2017 calendar year and the period of January 1 to July 31, 2018.



Women now hold 16.4% of all board seats among all companies disclosing the number of women directors on their boards



and 28.4% of the board seats for S&P/TSX 60 companies;

for the same period in 2017, the corresponding percentages were 14.5% and 26%, respectively.



A majority (53.6%) of companies have adopted a written board diversity policy;

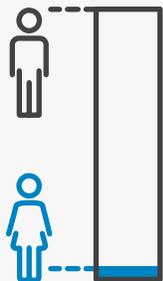
although 53.6% of companies that disclosed whether they have a written board diversity policy in 2018 state that they have one (compared to 46.9% over the same period in 2017), only 42.9% of companies disclosed that their policy relates specifically to the identification and nomination of women directors.

Over two-thirds (68.8%) of all companies have at least one female director



and one-third (33.7%) of companies have two or more women directors;

the percentage of companies disclosing the number of women directors with all-male boards continues to decline, falling to 31.3% in 2018 compared to 37.3% in the prior period in 2017, while the percentage of such companies with two or more women directors increased to 33.7% compared to 28% in 2017.



In only 3.3% of companies is the CEO a woman and only 3.5% of boards have a female board chair.



Targets for the number of women executive officers are very rare;

and only 5.9% of all disclosing companies (compared to 3.1% in the prior year) and 21.8% of disclosing S&P/TSX 60 companies (compared to 14.3% in the prior year) report having a target in place.



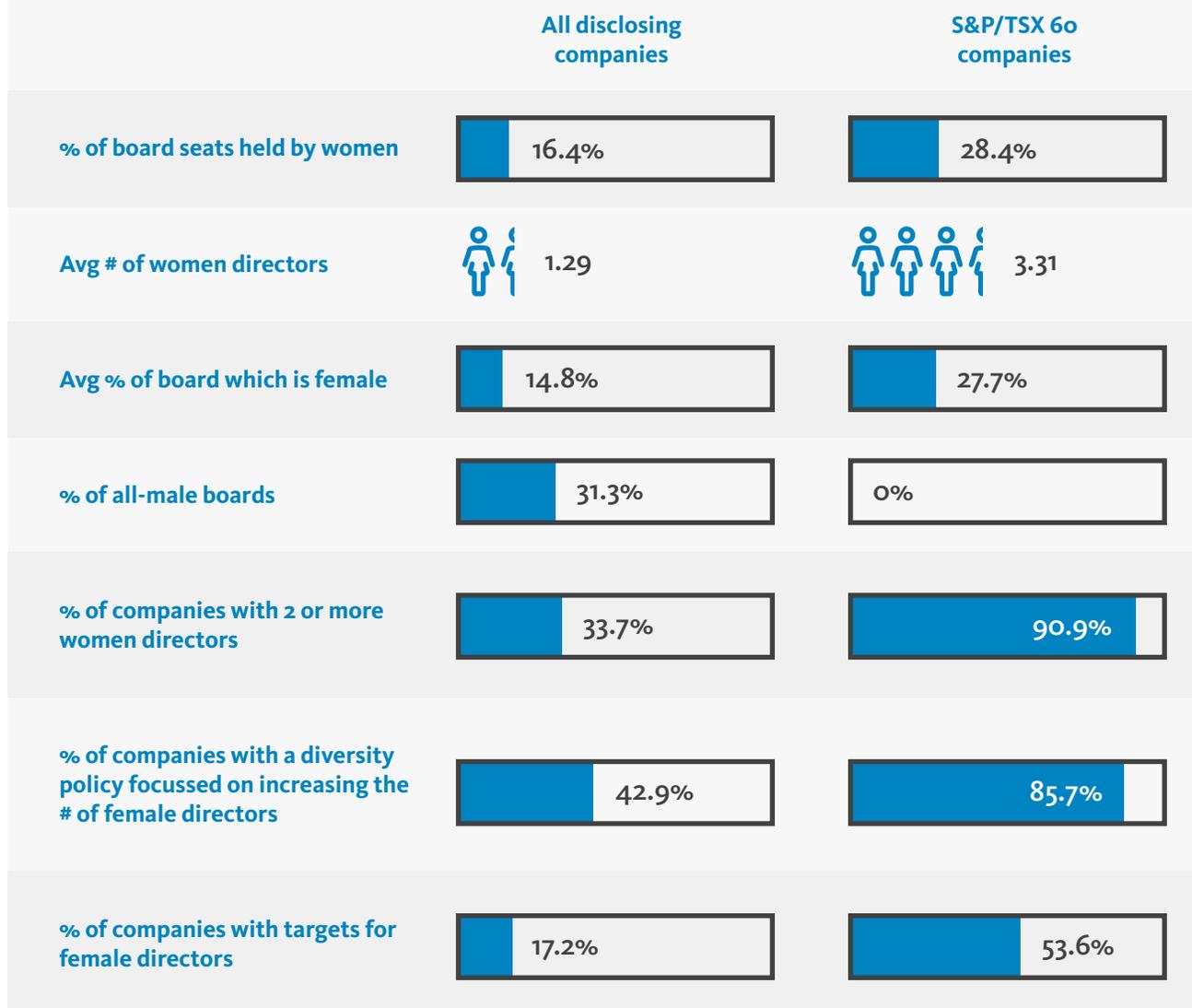
Women accounted for approximately 32.3% of the total number of newly created or vacated board seats over the previous year.

Few companies adopt targets for women directors, although the numbers are increasing;



17.2% of disclosing companies adopted such a target (compared to 12.4% in the prior year) and a majority (53.6%) of S&P/TSX 60 companies have adopted a target for female directors (compared to 47.4% in the prior year).

When it comes to board diversity practices, the contrast in leadership shown by S&P/TSX 60 companies compared to all companies which provided disclosure is noteworthy. For example, S&P/TSX 60 companies are within easy striking distance of achieving the Canadian chapter of the 30% Club goal for 30% of board seats to be held by women by 2022.



When it comes to executive officers, however, there is little distinction. For example, the average percentage of executive officers who are women for all disclosing companies was 15.8% compared to 17.5% for S&P/TSX 60 companies.

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