



2016 Diversity Disclosure Practices

Women in leadership roles at TSX-listed companies

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Introduction


Our comprehensive report on diversity disclosure practices last year reviewed disclosure relating to women in leadership roles by all TSX-listed companies, other than closed-end and exchange-traded funds, that made disclosure prior to July 31, 2015. Our findings provided a snapshot of the representation of women in leadership roles in corporate Canada and a window into best practices for improving gender diversity.

In this year's report, we summarize our final results for the full 2015 calendar year. We also compare the results of our analysis of disclosure made in 2016 (prior to July 31, 2016) (the 2016 Measurement Period) against the results from the same period in 2015 (the 2015 Comparison Period) to determine whether TSX companies have made any progress. In addition, we highlight developments over the last 12 months affecting gender diversity in Canada and abroad, and highlight some examples of best practices and leadership by companies.

Highlights

The percentage of companies with a written board diversity policy has increased to 34% 

from 30% at this time last year, **but only 10% of companies have targets for the representation of women** on their boards (up slightly from 8% last year).

39% of S&P/TSX 60 companies have adopted targets for women directors 

which is an increase from 29% last year, but for all companies collectively, there was little change (10% with targets for women directors vs. 8% last year).

Few companies, S&P/TSX 60 companies or otherwise, are adopting targets for women executive officers

(less than 2% of all companies or 7% of S&P/TSX 60 companies).



There is no change in the percentage of companies without any women on the board

(46% in 2016; 47% in 2015) and a **marginal decrease in the percentage of companies with no women executive officers**

The average number of women directors per company was about the same as last year (0.96 in 2016; 0.93 in 2015)

and on average **women represented roughly the same proportion of the directors on each board** (12% in 2015 and 13% in 2016).



There was a slight increase in the average number of women executive officers

per company compared to last year (1.44 in 2015 to 1.54 in 2016), but

on average the proportion of women executive officers was unchanged (15%) both years.

S&P/TSX 60 companies experienced significant growth in women executive officer



numbers and proportions, with numbers up more than 20% over 2015 levels in both areas,

but little to no growth in their average number or proportion of women directors.

The **Forestry** sector has the **lowest proportion of women directors**

and the **Energy, Oil & Gas** sector has the **lowest proportion of women executive officers.**



The **Utilities & Pipelines** sector has the

highest proportion of women directors

and women executive officers.



2015 FULL-YEAR RESULTS

- Women held approximately 12% of all board seats of TSX-listed companies.
- About 47% of companies had no women directors and 43% had no women executive officers.
- The average number of women on a board was 0.94, representing 11% of the members of the board on average (versus an average of 2.72 women representing 23% of the board for S&P/TSX 60 companies).




Increasing women in leadership positions: A sampling of recent developments

Improving gender diversity has continued to be a key focus of legislators, regulators and the media in many parts of the world, including at home in Canada over the past year. Countries that have adopted both quotas or comply-or-explain regimes to enhance the number of women on their boards have reported significant cumulative progress. There are rumblings that the United States, a laggard in board diversity disclosure, may consider revising its diversity disclosure rules. In Canada, the Province of Ontario continues to make the representation of women on boards a priority. Investors are also beginning to take an interest in gender diversity.

LEGISLATIVE APPROACHES OUTSIDE OF CANADA


Most legislative efforts to increase the representation of women in management and boards have come in the form of either a mandatory quota or a comply-or-explain regime. Canada, the United Kingdom and Australia, for example, have all adopted a form of comply-or-explain regime, while France, Norway, Germany, Italy, Iceland and Belgium have adopted quotas. The United States does not currently require companies to make specific disclosure as to the representation of women in senior leadership positions. As discussed in detail below, both legislative mechanisms have led to a sizeable increase in the number of women on boards in the jurisdictions where they have been adopted. Unsurprisingly, countries that adopted quotas saw faster progress than those who opted for comply-or-explain regimes.

Quotas

 **Norway:** Norway implemented its quota of 40% women directors on the boards of publicly-listed companies in 2006, although companies were given until 2008 to fully comply. Companies that find themselves beneath the 40% threshold face harsh penalties and risk being forcibly dissolved. In terms of increasing the representation of women in leadership, the policy has been a resounding success. According to a report from MSCI Inc. in November 2015 (MSCI Report), in 2015, 40.1% of board seats in Norway were filled by women. Interestingly, the MSCI Report notes that the increased representation of women on boards has not been accompanied by an increase in women CEOs or CFOs.

 **France:** France established mandatory quotas in 2011. Under the French regime, both listed and non-listed French companies that have greater than 500 employees or €50 million in revenue must have at least 40% women directors by 2017. According to the MSCI Report, as of October 2015, women held 33.5% of French board seats, giving France one of the highest levels of women board representation in the European Union. This represents a substantial increase when compared to 2006, when women held only 8% of all board seats in France. The MSCI Report notes that like Norway, however, France's quota regime has had a minimal impact on the number of women in CEO or CFO roles.

Comply or Explain

 **United Kingdom:** The United Kingdom adopted its form of comply-or-explain regime in 2011. Five years later, the scheme's impact is clear. According to Lord Davies' report on improving the gender balance on British boards, as of October 2015, women held 26.1% of FTSE 100 board seats, a substantial increase from 12.5% in 2011. Similar trends can also be seen in the FTSE 250 and 350, where the representation of women on boards has increased by 12% and 12.4%, respectively. In conjunction with the release of his report, Lord Davies proposed adopting a new target of 33% for the representation of women on boards across the FTSE 350 by 2020. Despite the UK's significant progress in increasing the proportion of women directors, the number of women executives remains comparatively low. According to Lord Davies' report, the proportion of women executives in the FTSE 100 is only 9.6%.



Australia: The ASX introduced its own version of a comply-or-explain regime in 2010. The scheme requires companies to either adopt a diversity policy or explain why they have not done so. It also requires companies to disclose data related to the number of women on boards and in management positions. The policy has had an impact. According to a report by KPMG released earlier this year, women held 22% of all board seats in the ASX 200 in 2015, compared to 18% in 2013. Companies in the ASX 201-500 did even better, as the proportion of women on these boards rose 50% in the past two years, from 10% to 15%. The rate of increase has been too slow for some, with the Chair of the Australian Institute of Company Directors warning that at the current pace, its target of having 30% of board seats in the ASX 200 filled by women was not likely to be met by 2018. Further, according to the KPMG report, the percentage of women holding CEO (5%) and COO/deputy CEO (10%) roles in the ASX 100 has not changed over the past five years.

Beyond the purview of securities law disclosure, Australia's *Workplace Gender Equality Act 2012* also requires non-public sector employers with 100 employees or more to report "Gender Equality Indicators" each year, which include the gender composition of the company's work force, senior management and board of directors.



United States: U.S. public companies are only required to disclose whether, and how, they take "diversity" into account in their board composition. The vague nature of the disclosure obligation and the lack of a uniform definition of diversity for disclosure purposes has been criticized for failing to provide meaningful information. A report from the U.S. Government Accountability Office in December 2015 stated that in 2014 women comprised about 16% of board seats in the S&P 1500 and that even if equal proportions of women and men began to join U.S. boards each year, it could take four decades to reach gender parity. The Chair of the SEC has publicly stated her desire to make changes to U.S. disclosure rules on diversity a priority.

CANADIAN DEVELOPMENTS



In September 2015, participating members of the Canadian Securities Administrators released CSA Multilateral Staff Notice 58-307 *Staff Review of Women on Boards and in Executive Officer Positions* – Compliance with NI 58-101 *Disclosure of Corporate Governance Practices*, setting out the results of their review of compliance with the new disclosure requirements. A spreadsheet with the detailed data underlying the staff notice was made available in November 2015. To date, 25 companies which failed to provide any of the diversity disclosure required under Form 58-101F1 have been added to the OSC's Refilings and Errors List and have been required to make filings on SEDAR providing the missing disclosure.

The Province of Ontario commissioned a report from Catalyst Canada to examine ways to further the movement to increase the representations of women on boards and in executive office positions in Canada. This report was received in June 2016 and, shortly following its release, the Ontario government set a target that, by 2019, women make up at least 40% of all appointments to every provincial board and agency. The Ontario government also stated that it is encouraging businesses to set a target of appointing 30% women to their boards of directors by the end of 2017, with a view to achieving the target within three to five years.

INVESTOR INTEREST IN GENDER DIVERSITY

Numerous studies have highlighted the positive correlation between gender diversity in management and strong financial performance, and investors are increasingly showing interest in improving the gender diversity of the companies in which they invest. In October 2015, the Canadian Coalition for Good Governance adopted a Board Gender Diversity Policy expressing its support for the disclosure regime in Canada and recommending that boards use a professional approach to board recruitment and follow robust board refreshment practices. A shareholder proposal requesting that the board of directors of Restaurant Brands International (which does not have any women directors) adopt a written board policy on diversity received the support of 16.9% of the votes cast. Similarly, a shareholder proposal requesting that BCE adopt targets to increase the proportion of women in its senior management team received the support of 12.6% of the votes cast.

The investment industry is looking to capitalize on the increased interest in gender-diverse businesses. In July 2014, Barclays Bank launched its Barclays Women in Leadership Index and exchange traded notes to allow investors to bet on the benefits of gender diversity. In April 2016, Bank of Montreal launched a mutual fund that invests solely in companies with a woman CEO or a board of directors comprised of at least 25% women. Indices focused on gender-diverse companies are also offered by Bloomberg, State Street Global Advisors and a partnership between World Management LLC and Ellevest Asset Management LLC.

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Our methodology

The data presented in this report were obtained by surveying public disclosure documents filed by all TSX-listed companies other than closed-end and exchange-traded funds.

- There were 928 such companies as at July 31, 2015. For the 2015 full-year analysis we reviewed disclosure documents provided by all 928 companies. Of those companies, 744 provided disclosure wholly or partially in compliance with the Diversity Disclosure Requirement, including some companies that were not required to provide disclosure in accordance with the Diversity Disclosure Requirement until 2016. We excluded 184 companies from our analysis because they were incorporated outside of Canada, exempt from disclosure or non-compliant.
- There were 888 such companies as at July 31, 2016. Of these 888 companies, a total of 785 had filed their management information circular or annual information form by July 31, 2016 and 738 of those companies had provided full or partial diversity disclosure. A total of 47 companies were excluded because they were incorporated outside of Canada, exempt from disclosure or non-compliant.
- To compare year-over-year progress by Canadian companies, we excluded 2015 data compiled from companies that disclosed after July 31, 2015, rather than trying to match companies in 2015 and 2016 by name. This approach provides a close approximation of year-over-year results, as nearly 90% of the relevant companies filed their disclosure by July 31. In addition, our final results for the 2015 calendar year approximate the results we reported last year for companies that made their filings by July 31, 2015.
- For each data point provided within this report, the percentages are calculated as a percentage of the total number of companies that provided disclosure with respect to the disclosure item in question.

Amendments to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) requiring disclosure respecting the representation of women on boards and in executive officer positions (the Diversity Disclosure Requirement) came into effect on December 31, 2014. Pursuant to the Diversity Disclosure Requirement, Canadian reporting companies other than TSX Venture Exchange companies and investment funds are now required to provide gender diversity disclosure, as the requirement applied commencing with the company's first management information circular and/or annual information form filed following its financial year ending on or after December 31, 2014.

In addition to our year-over-year comparison, we provide a selection of comparative data for companies included in the S&P/TSX 60 Index to provide insight on practices of Canada's largest companies. We refer to such companies in the report as the "S&P/TSX 60 companies."

DIVERSITY DISCLOSURE REQUIREMENTS

The Diversity Disclosure Requirements require each issuer to disclose the following:

- whether it has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, it must disclose why it has not done so. If an issuer has adopted a policy, it must disclose
 - a short summary of its objectives and key provisions
 - the measures taken to ensure that the policy has been effectively implemented
 - annual and cumulative progress by the issuer in achieving the objectives of the policy
 - whether, and if so how, the board or its nominating committee measures the effectiveness of the policy
- whether it considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If so, it must disclose how and, if not, disclose its reason for not doing so
- whether it considers the level of representation of women in executive officer positions when making such appointments. If so, it must disclose how and, if not, disclose its reason for not doing so
- whether it has adopted a target regarding the appointment of women to the board. If so, it must disclose the target and its annual and cumulative progress in achieving the target. If not, the issuer must disclose the reason for not doing so
- whether it has adopted a target regarding women in executive officer positions. If so, it must disclose the target and its annual and cumulative progress in achieving the target. If the issuer has not adopted a target, it must disclose why it has not done so
- the number and percentage of women on the issuer's board of directors
- the number and percentage of its women executive officers, including all of its major subsidiaries

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2015 full-year results

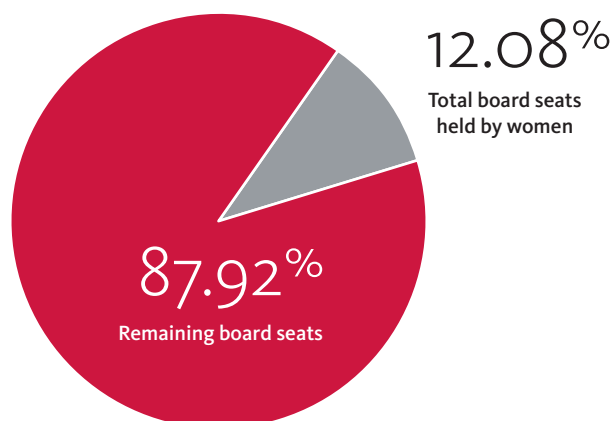
WOMEN ON BOARDS IN 2015

In 2015, 710 companies reported the number of women on their boards. For these 710 companies, we counted a total of 5,507 board seats, of which 665 were held by women. Based on these results, women held 12.08% of the total board seats among companies providing disclosure. Our numbers are lower than the percentage of seats reported to be held by women in leading jurisdictions outside of Canada and the 20.8% of Canadian board seats reported by Catalyst Canada, primarily because the sample size used in other reports is limited to larger companies that typically have better performance in these areas. In contrast, we sought to include all TSX-listed companies that provided disclosure in accordance with the Diversity Disclosure Requirement in 2015.

In 2015, the 710 companies that disclosed had an average of 0.94 women on the board, and the average percentage of the board represented by women was approximately 11%.

Of these 710 companies, 333 (47%) reported having no women on the board in 2015. A total of 207 companies (29%) had one woman director and 170 (24%) reported having more than one woman on their boards. At five companies (DH Corporation, DREAM Unlimited Corp., HSBC Bank Canada, Sienna Senior Living and TVA Group Inc.), women held 50% or more of the board seats.

FIGURE 1: PROPORTION OF BOARD SEATS HELD BY WOMEN



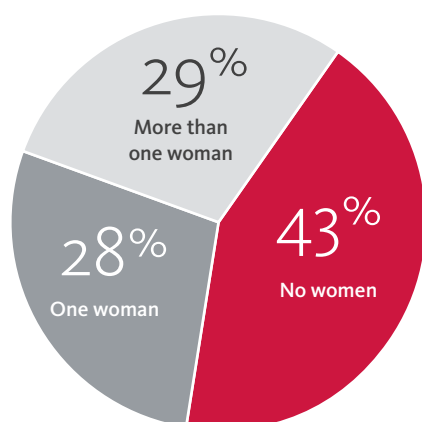
WOMEN EXECUTIVE OFFICERS IN 2015

In 2015, 647 companies disclosed information regarding the number of women executives employed by them and 627 disclosed the percentage. Of those that disclosed the number of women executives, companies reported an average of 1.40 women executives and a total of 909 executive officer positions held by women. Among those that disclosed the percentage of women executives, women represented on average 14% of the executive officer positions.

Of the 647 companies that disclosed the number of their women executive officers, 277 (43%) reported having no women executive officers, 179 (28%) reported having one woman executive officer and 191 reported having more than one woman executive officer (29%).

In 2015, 859 companies reported whether they take gender into account when appointing executive officers. Of those 859 companies, there was an even split, with 426 (50%) reporting considering gender and 433 (50%) reporting that gender is not a consideration.

FIGURE 2: PROPORTION OF WOMEN EXECUTIVE OFFICERS



NOTE Total companies that disclosed: 647

BREAKDOWN BY INDUSTRY FOR FULL-YEAR 2015

As demonstrated in Figures 3 and 4, the industries with the highest numbers of women directors and executive officers in 2015 were Utilities & Pipelines, Media & Entertainment and Financial Services.

FIGURE 3: INDUSTRY BREAKDOWN OF NUMBERS AND PERCENTAGES OF WOMEN DIRECTORS

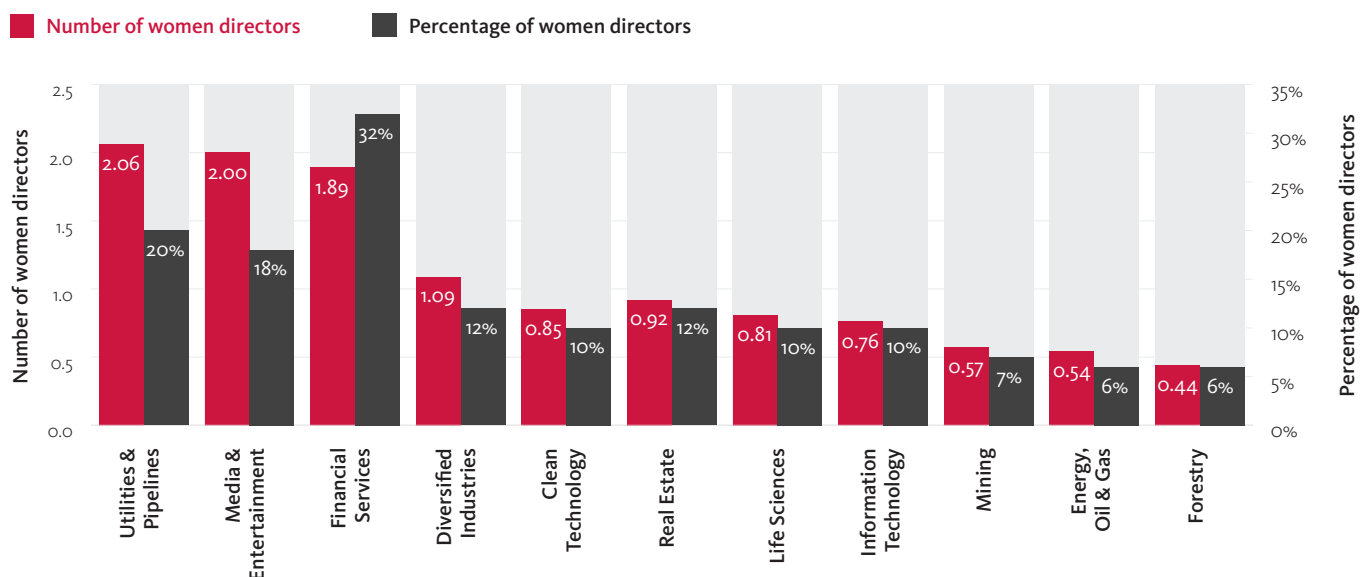
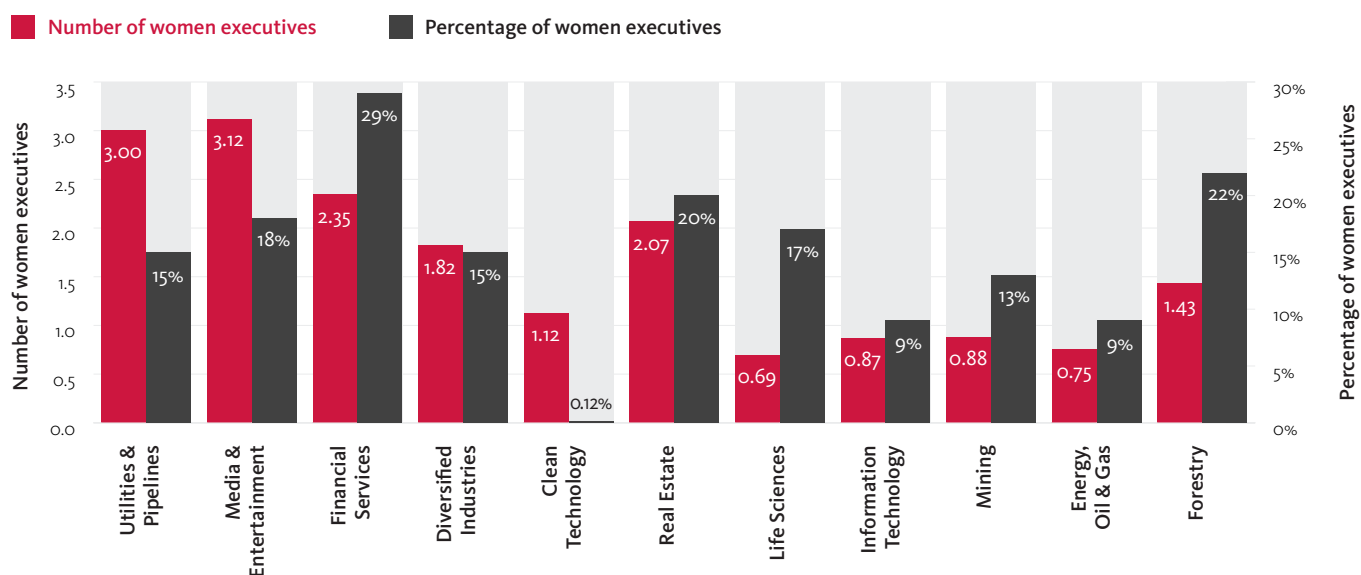


FIGURE 4: INDUSTRY BREAKDOWN OF NUMBERS AND PERCENTAGES OF WOMEN EXECUTIVES

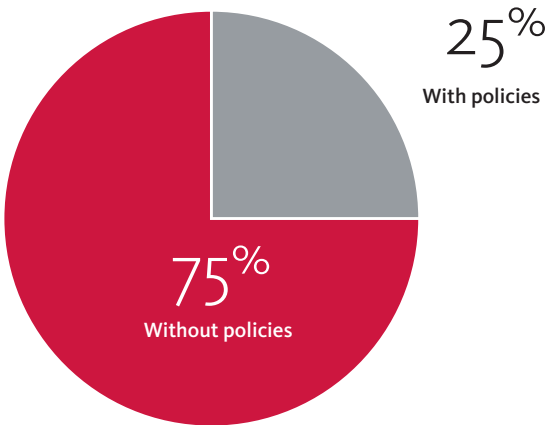


DIVERSITY POLICIES AND TARGETS FOR FULL-YEAR 2015

As reflected in Figures 5, 6.1 and 6.2, our data for full-year 2015 clearly demonstrate that companies were far more willing to adopt diversity policies than targets for the proportion of women serving as directors or as executive officers. Of the 831 companies that provided disclosure regarding the existence of a written board diversity policy (or lack thereof), 205 (25%) have a board diversity policy.

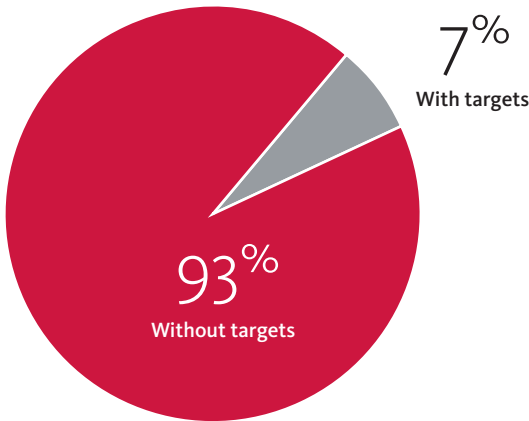
However, only 63 (7%) of the 852 companies that provided disclosure regarding board diversity targets had actually adopted a target for women directors. Moreover, only 9 (1%) of the 847 companies that provided disclosure regarding executive officer diversity targets had actually adopted a target for women executive officers.

FIGURE 5: BOARD DIVERSITY POLICY ADOPTION RATES



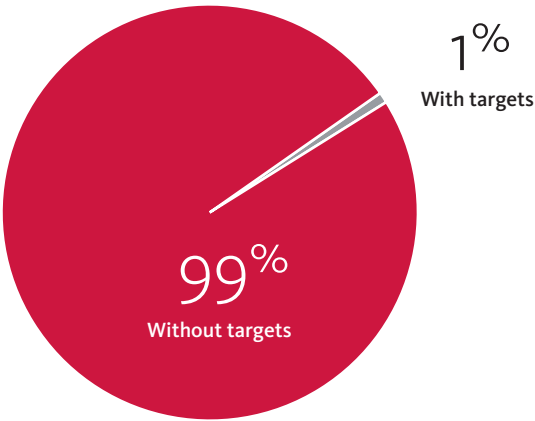
NOTE Total companies that disclosed 2015: 831

FIGURE 6.1: TARGET ADOPTION RATES – WOMEN DIRECTORS



NOTE Total companies that disclosed: 852

FIGURE 6.2: TARGET ADOPTION RATES – WOMEN EXECUTIVES



NOTE Total companies that disclosed: 847

As reflected in our full-year results for 2015, there was much room for improvement for the vast majority of TSX companies. In the following pages, we report on the extent to which corporate Canada has taken up the challenge to do better.



2016 mid-year results: Women on boards

NUMBER AND PERCENTAGE OF WOMEN DIRECTORS

As of July 31, 2016, 693 companies reported a total of 662 board positions held by women. In the 2016 Measurement Period, women hold an average of 0.96 board seats per company and represent an average of 13% of the board – in each case, showing little or no improvement from the 2015 Comparison Period, during which women held an average of 0.93 board seats and comprised an average of 12% of the total number of directors. A comparison of these numbers is illustrated in Figures 7.1 and 7.2.

FIGURE 7.1: AVERAGE NUMBER OF
WOMEN DIRECTORS

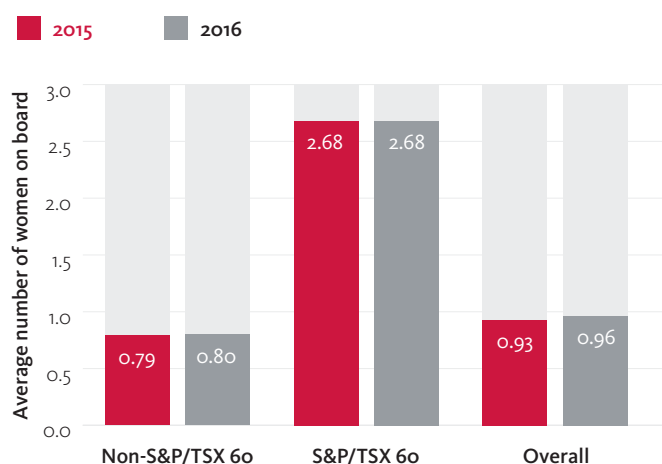
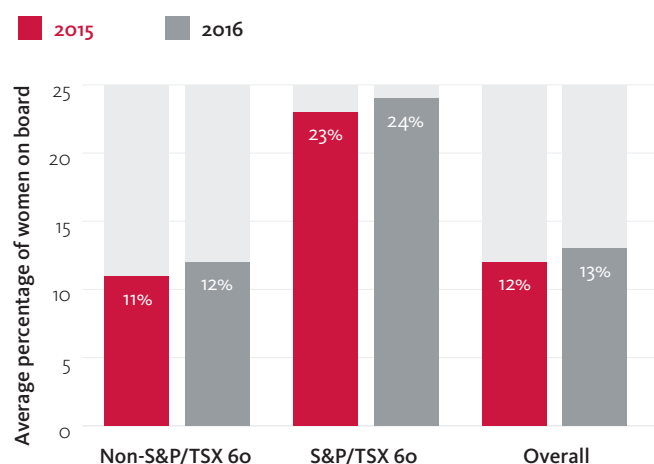


FIGURE 7.2: AVERAGE PERCENTAGE
OF WOMEN DIRECTORS



Our analysis shows that 321 (46%) of these 693 companies reported having no women on their boards, while 205 (30%) reported having one woman and 167 (24%) reported having more than one woman on their board. Women comprise 50% or more of the board at four companies in 2016: DREAM Unlimited Corp., HSBC Bank Canada, Sienna Senior Living and TVA Group Inc. In contrast with the 2015 Comparison Period, DH Corporation has fallen off the list, with its number of women directors dropping from four to three, or 37.5% of the company's total board seats. These results are summarized in Figure 8.1 and 8.2.

FIGURE 8.1: NUMBER OF WOMEN DIRECTORS – ALL COMPANIES

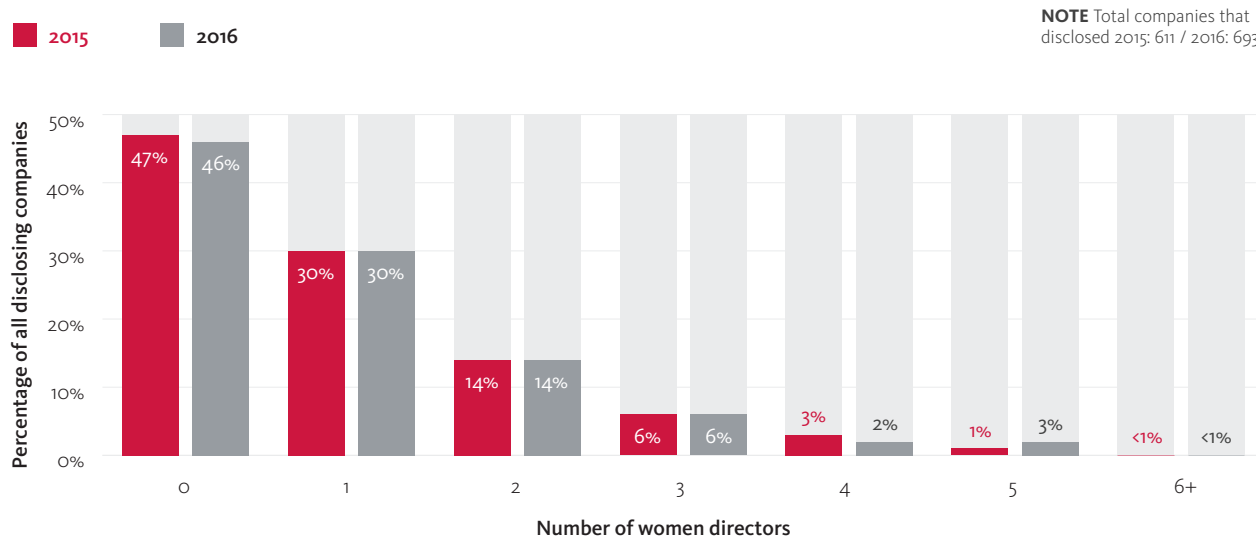
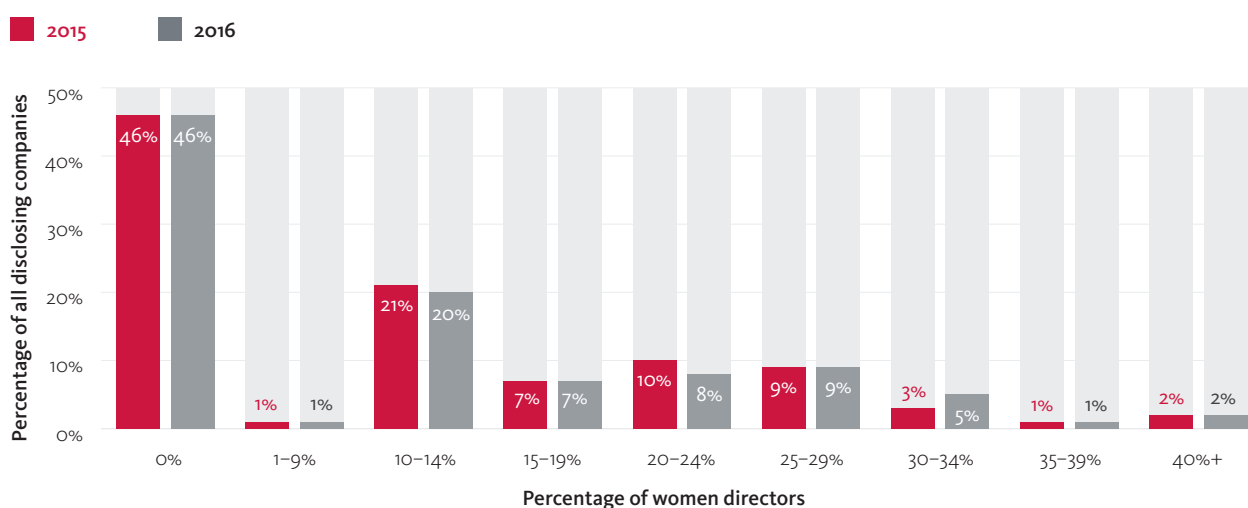


FIGURE 8.2: PERCENTAGE OF WOMEN DIRECTORS – ALL COMPANIES



Canada's largest companies continue to be leaders in gender diversity. Of the 58 members of the S&P/TSX 60 that have disclosed the number of their women directors, a total of 142 board positions held by women were reported. Women hold an average of 2.68 board positions within these companies and represent an average of 24% of the directors. Most notably, only three (5%) of these companies reported having no women on their boards and five (9%) reported having one woman director, whereas 50 (85%) reported having two or more women board members. Of those 50 companies, eight have five or more board positions held by women. However, although these numbers are better than overall averages, there was almost no improvement year-over-year among the S&P/TSX 60 companies.

FIGURE 9.1: NUMBER OF WOMEN DIRECTORS – S&P/TSX 60

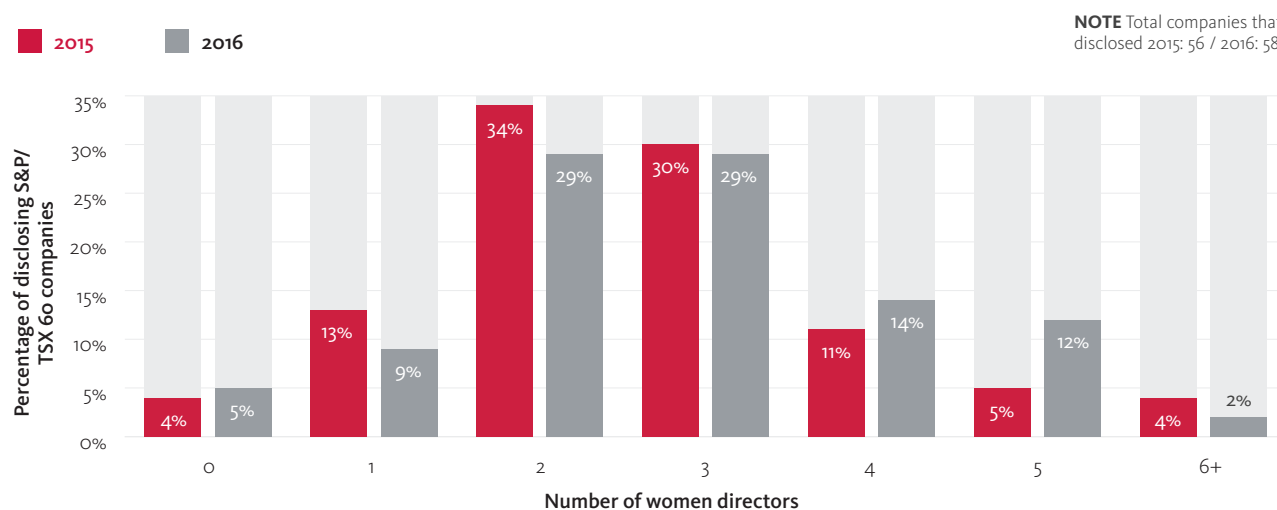
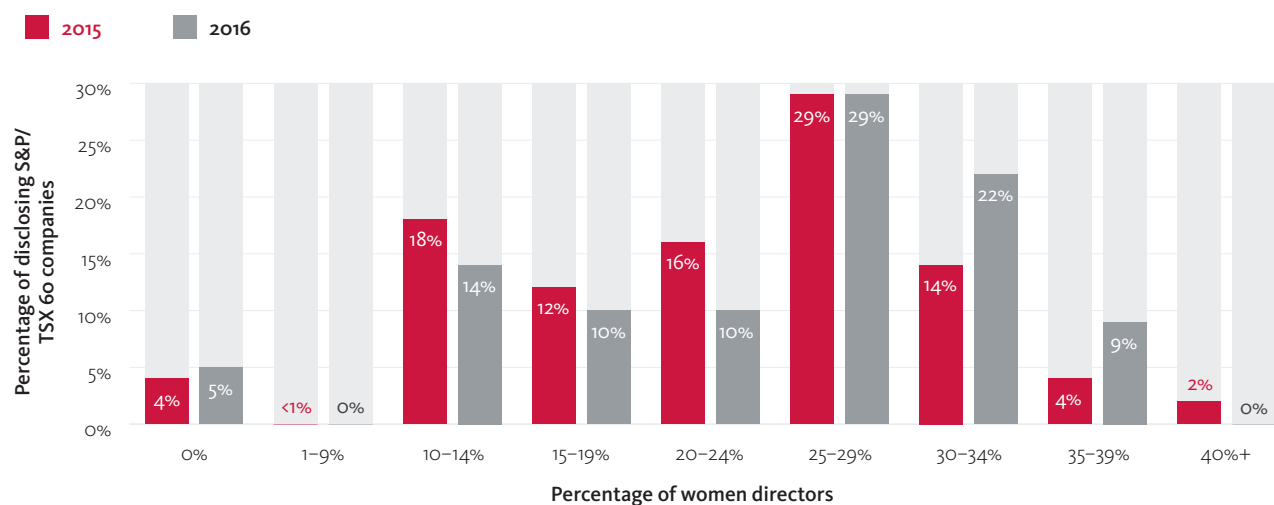


FIGURE 9.2: PERCENTAGE OF WOMEN DIRECTORS – S&P/TSX 60





WOMEN BOARD REPRESENTATION BY INDUSTRY

Our data for the 2016 Measurement Period show varying degrees of growth and decline in the number and percentage of women directors among the eleven major industries surveyed as compared to the 2015 Comparison Period. These changes are illustrated in Figures 10.1 and 10.2. In terms of average numbers, five industries saw their number of women directors fall: Information Technology, Life Sciences, Mining, Financial Services and Media & Entertainment. Of these, Information Technology and Financial Services also experienced a decline in their proportions of women directors. However, this drop, at least for Financial Services, may be attributable to the fact that there are new companies included in our analysis this year that were not included last year. Notwithstanding those declines, the Financial Services industry has the third highest average number and proportion of women directors. The Utilities & Pipelines and Media & Entertainment industries led the pack, showing the highest average numbers and percentages of women directors.

From this data, it is evident that significant differences exist across industry lines. While nearly one in four board members in the Utilities & Pipelines industry is a woman, by contrast, only one out of every 20 board members in the Forest Products and Paper sector is a woman.

FIGURE 10.1: NUMBER OF WOMEN DIRECTORS BY INDUSTRY

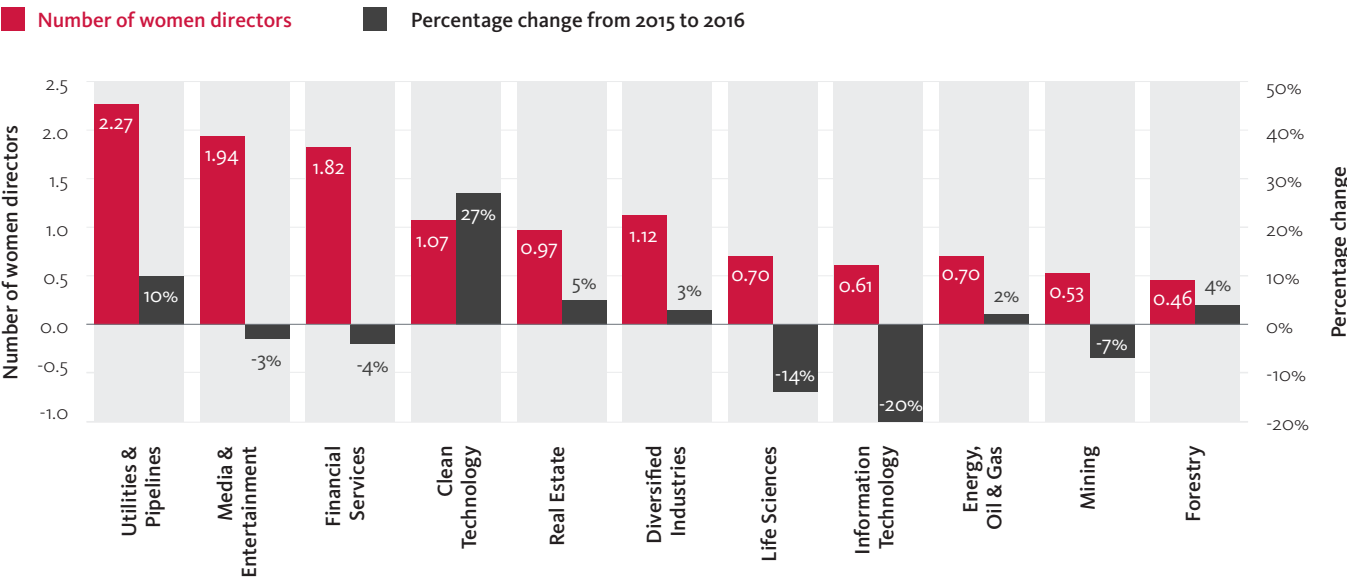
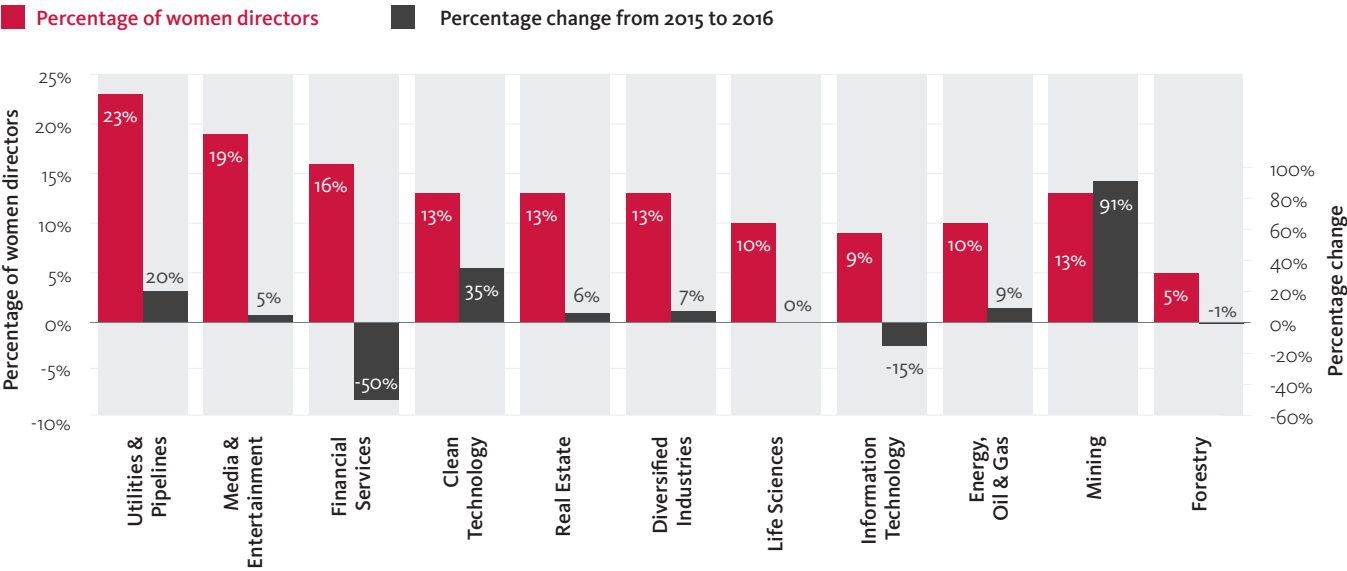


FIGURE 10.2: PERCENTAGE OF WOMEN DIRECTORS BY INDUSTRY

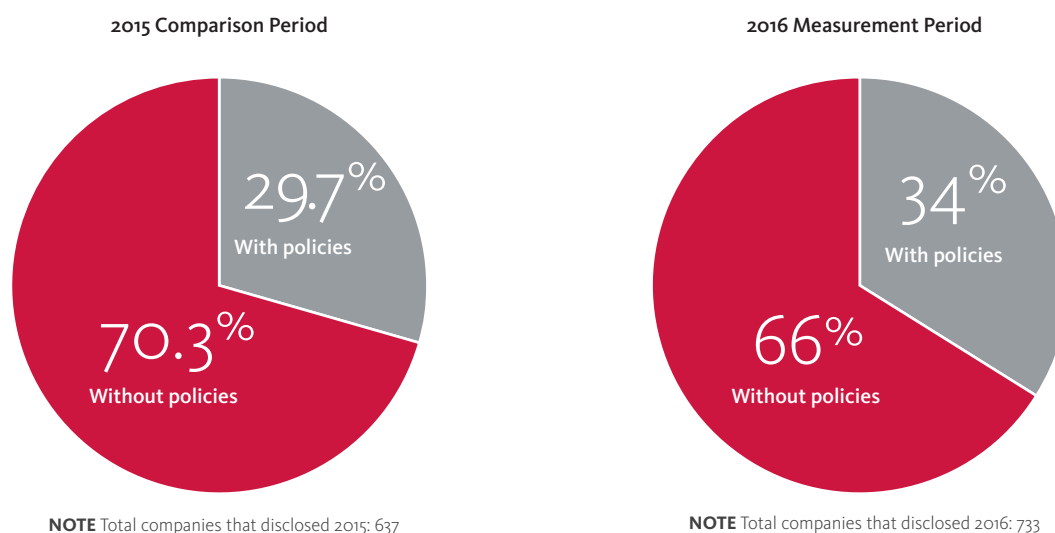


BOARD POLICIES ON DIVERSITY AND POLICIES RELATED TO THE NOMINATION AND IDENTIFICATION OF WOMEN ON BOARDS

Consistent with global trends towards an increased awareness of the importance of diversity on boards, the number of companies with formal policies related to diversity and to the nomination and identification of women on boards increased considerably from 2015 to 2016. As reflected in Figure 11.1, for the 2016 Measurement Period, 733 companies reported on whether they adopted

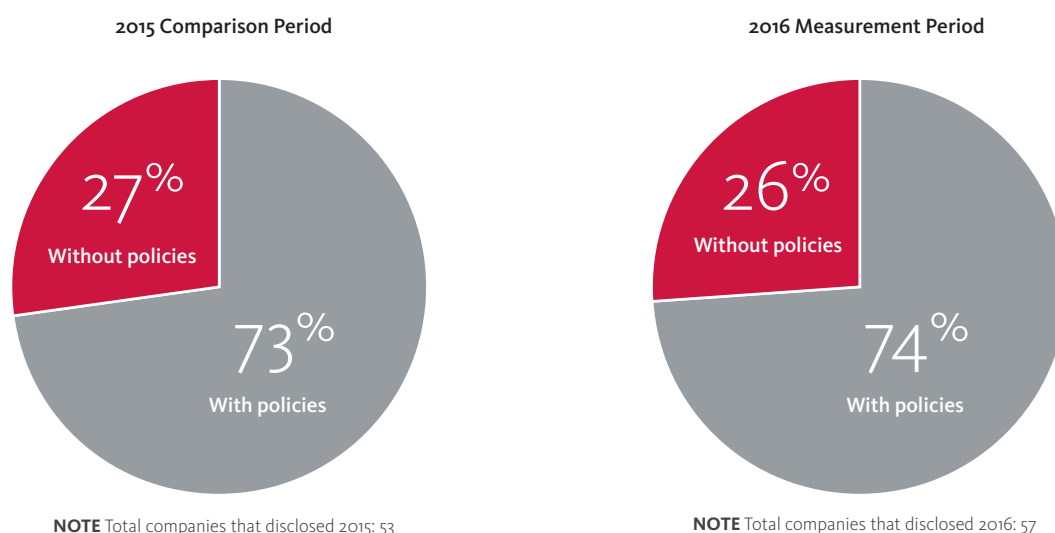
board diversity policies. Among those companies, 251 companies, or 34%, have adopted a policy, up from 29.7% during the 2015 Comparison Period. Interestingly, however, some policies adopted expressly state that gender is not to be a factor considered in director selection – this approach is usually justified as being for the purposes of preserving the “principles of meritocracy.”

FIGURE 11.1: GENERAL BOARD DIVERSITY POLICY ADOPTION RATES (ALL COMPANIES)



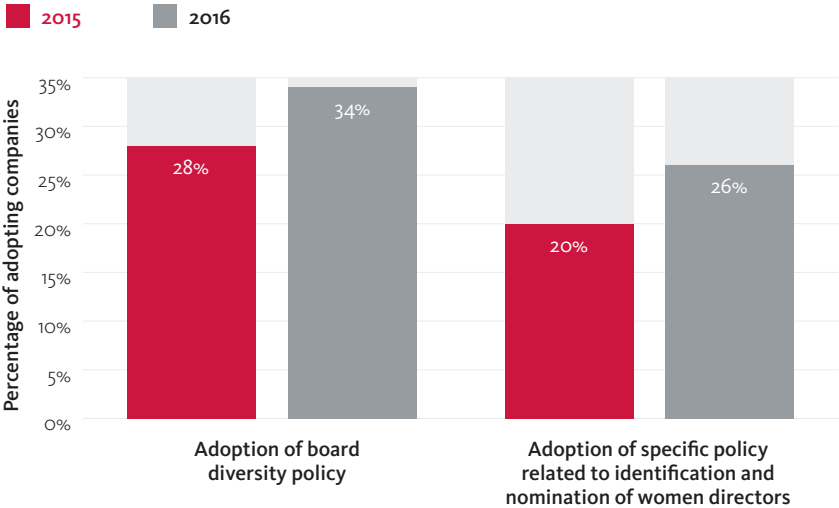
S&P/TSX 60 companies are leaders in the adoption of board diversity policies. As Figure 11.2 shows, 42 (74%) of the 57 members of the S&P/TSX 60 which provided diversity policy disclosure reporting that they have adopted board diversity policies – up from 73% last year.

FIGURE 11.2: GENERAL BOARD DIVERSITY POLICY ADOPTION RATES (S&P/TSX 60 COMPANIES)



The adoption rates described above relate to general board diversity policies which include diversity characteristics both in addition to and instead of gender. However, many companies are adopting board diversity policies that specifically address the issue of gender. In the 2016 Measurement Period, 728 companies reported whether they have a board diversity policy and specifically mentioned whether it considered gender. Adoption rates for a board diversity policy specifically directed towards the nomination and identification of women directors were lower, with 186 (26%) of these 728 companies reporting adopting such a policy. For the 56 S&P/TSX 60 companies that disclosed whether they had a gender-specific board diversity policy, 30 (54%) had done so.

FIGURE 12: NATURE OF POLICY ADOPTED



As noted in our report last year, a significant portion of board diversity policies consider diversity characteristics beyond gender. The following tables set out the relative frequency of different diversity characteristics among those companies disclosing the diversity characteristics they consider. Note that the percentages are based on the total number of characteristics disclosed, as opposed to the number of companies disclosing them.

FIGURE 13.1: DIVERSITY POLICY CHARACTERISTICS BEYOND GENDER – 2015

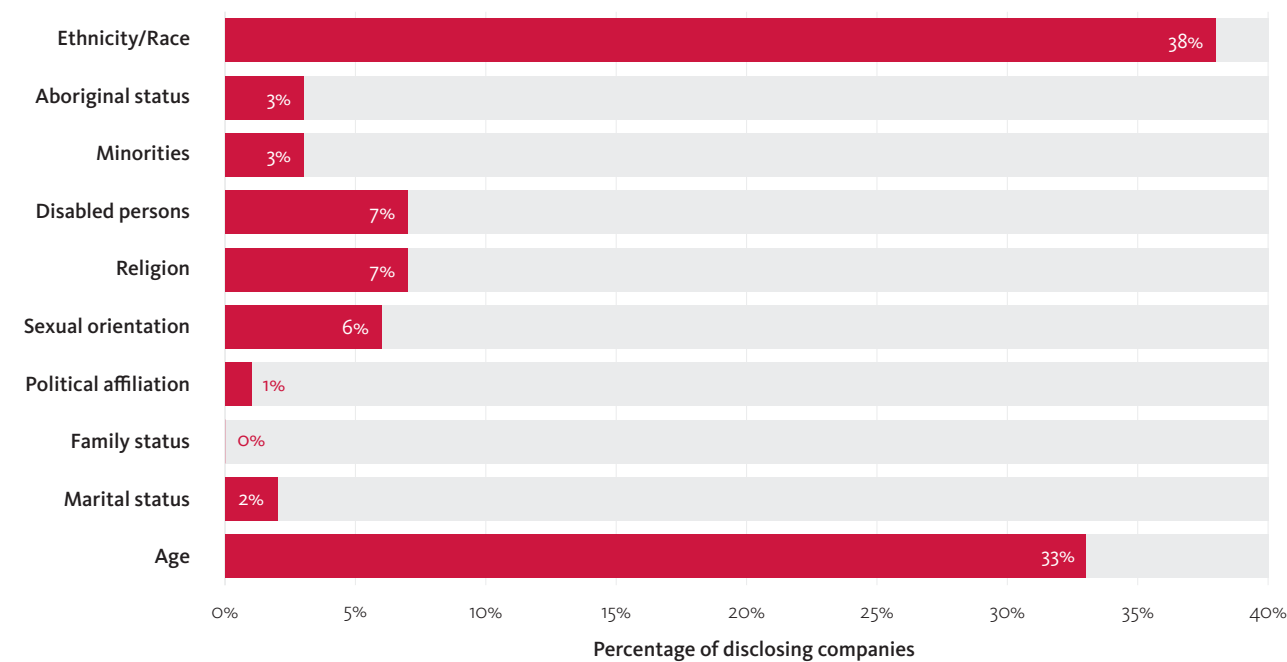
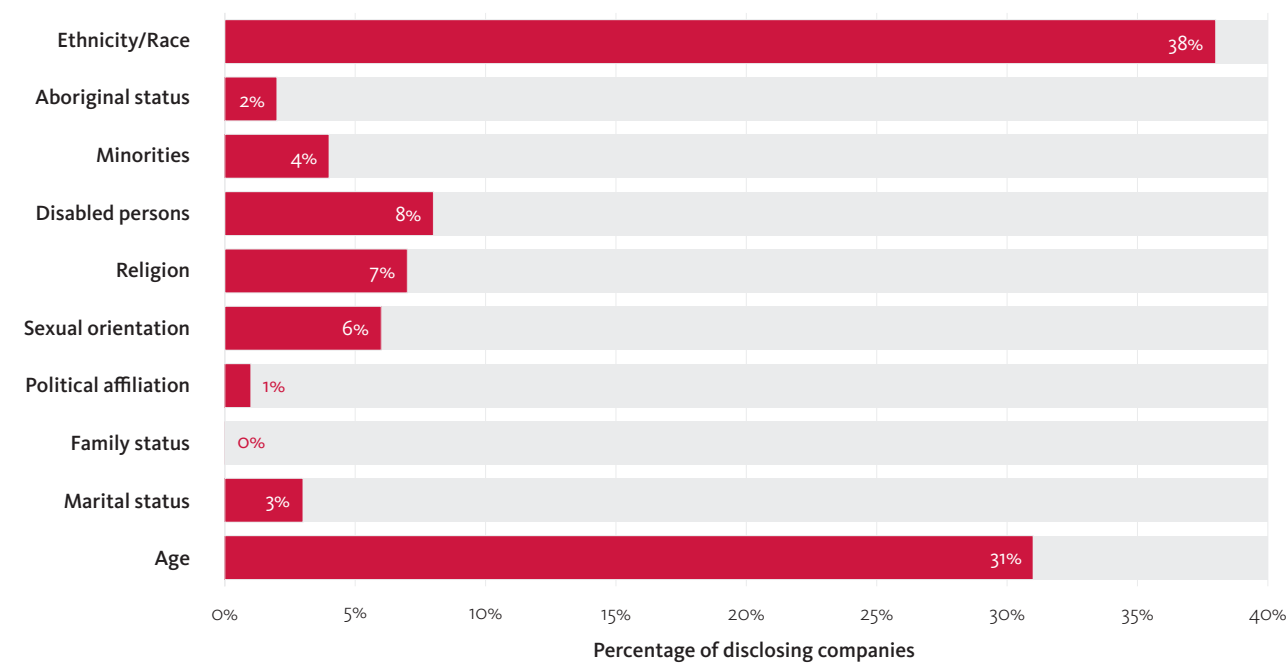


FIGURE 13.2: DIVERSITY POLICY CHARACTERISTICS BEYOND GENDER – 2016



We noted last year that the most common justification for not adopting policies was to “not compromise the principles of meritocracy.” As can be seen in Figure 14, this rationale remains prevalent in 2016. The top five reasons for not adopting targets are listed in the order of their popularity.

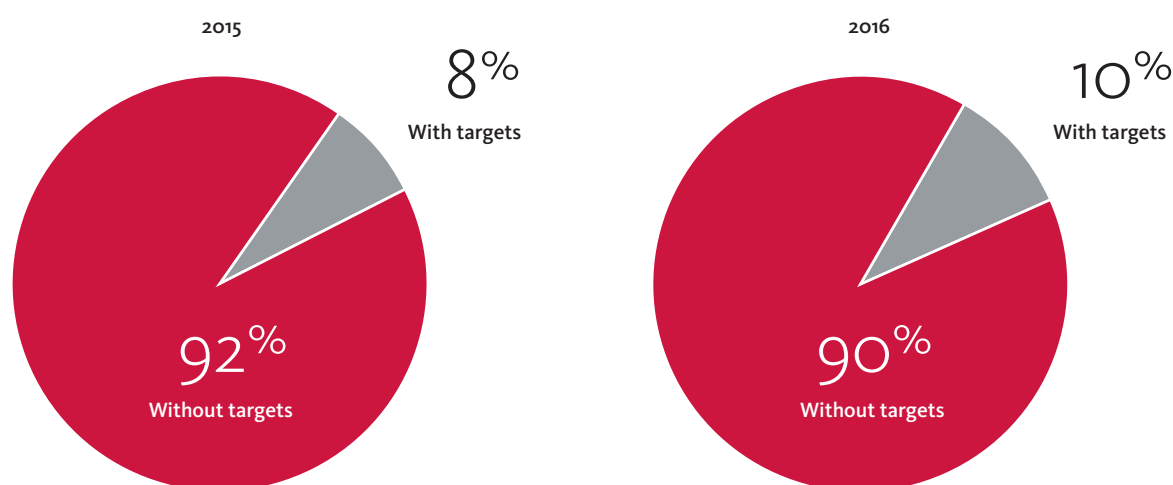
FIGURE 14: TOP FIVE REASONS DISCLOSED FOR NOT ADOPTING WRITTEN BOARD DIVERSITY POLICY

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Too restrictive given all factors to be considered
- ④ A policy is under consideration
- ⑤ All characteristics are considered equally

TARGETS FOR WOMEN ON BOARDS

Of the 728 companies that disclosed whether they had adopted targets relating to the representation of women on their boards, Figure 15.1 shows that 654 (90%) reported that they did not have such targets, while 74 (10%) reported adopting such a target. Of the 74 companies that adopted a target, nearly one-third (22 companies) were S&P/TSX 60 companies. Of the 57 S&P/TSX 60 companies that disclosed whether or not they had a target, those 22 companies made up 39% of the group, representing a much higher adoption rate than average.

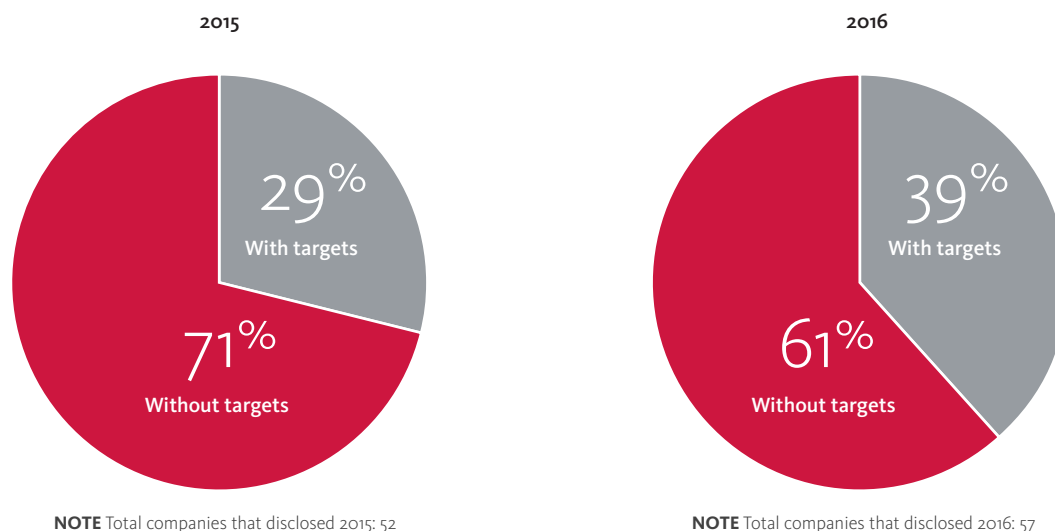
FIGURE 15.1: REPRESENTATION OF WOMEN ON BOARDS (ALL COMPANIES)



NOTE Total companies that disclosed 2015: 640

NOTE Total companies that disclosed 2016: 728

FIGURE 15.2: REPRESENTATION OF WOMEN ON BOARDS (S&P/TSX 60)



Generally, companies reported not adopting targets for many of the same reasons they chose not to adopt policies. However, several companies also expressed the view that targets are ineffective or “arbitrary.”

FIGURE 16: TOP 5 REASONS DISCLOSED FOR NOT ADOPTING A TARGET FOR WOMEN DIRECTORS

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Too restrictive given all factors to be considered
- ④ Number of directors too low/low turnover
- ⑤ Ineffectiveness or arbitrariness

5

2016 mid-year results: Women in executive officer positions

NUMBER AND PERCENTAGE OF WOMEN IN EXECUTIVE OFFICER POSITIONS

Among the 668 companies that disclosed their number of women executive officers in the 2016 Measurement Period, companies reported a total of 1,030 positions. On average, these companies reported having 1.54 women executive officers – up from the 1.44 average recorded in the 2015 Comparison Period. However, the increase in the average number of women executive officers does not reflect an increase in the proportion of executive officers who are women. Among the 654 companies that disclosed the percentage of their company's executive officer positions held by women in the 2016 Measurement Period, women hold an average of 15% of executive officer positions per company – a percentage that is unchanged from the 2015 Comparison Period.

FIGURE 17.1: OVERALL AVERAGE NUMBER
OF WOMEN EXECUTIVES

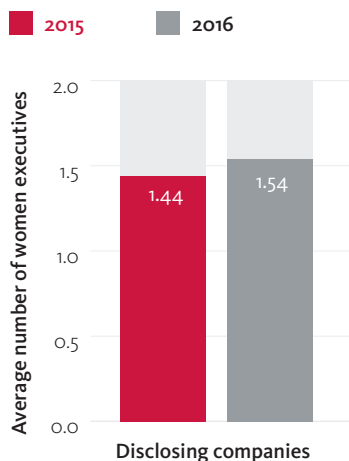


FIGURE 17.2: OVERALL AVERAGE PERCENTAGE
OF WOMEN EXECUTIVES

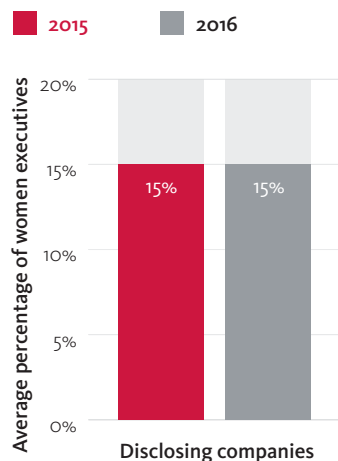


FIGURE 18.1: NUMBER OF WOMEN EXECUTIVES – ALL COMPANIES

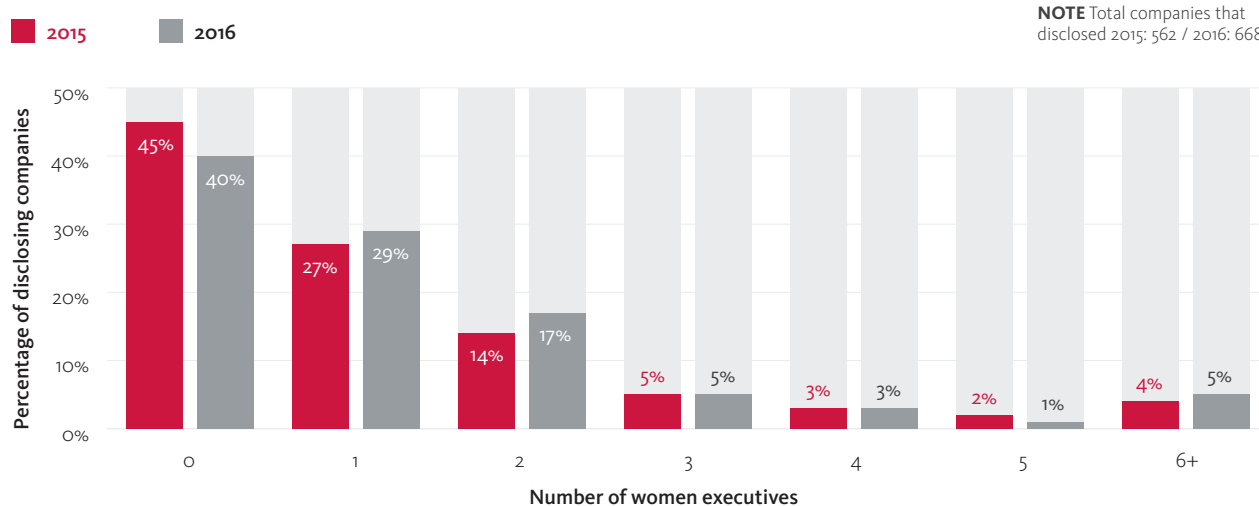
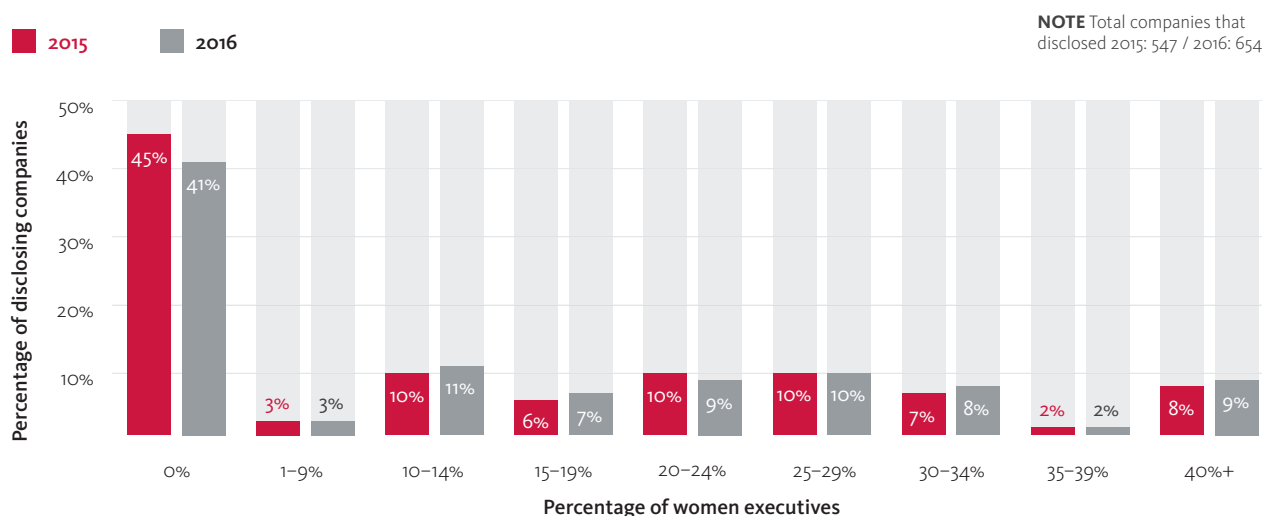


FIGURE 18.2: PERCENTAGE OF WOMEN EXECUTIVES – ALL COMPANIES



Among the 51 S&P/TSX 60 companies that disclosed, improvement was far more tangible – the average number of women executives rose from 1.96 in 2015 to 2.35 in the 2016 Measurement Period, and the proportion of women rose from 15% to 18%. These numbers represent a 20% increase in both the average number of executive officers and the proportion of executive officer positions that women hold. These results are illustrated in Figures 19 and 20.

FIGURE 19.1: AVERAGE NUMBER OF WOMEN EXECUTIVES – S&P/TSX 60

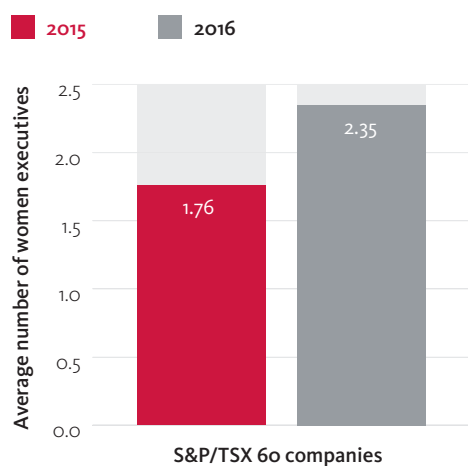


FIGURE 19.2: AVERAGE PERCENTAGE OF WOMEN EXECUTIVES – S&P/TSX 60

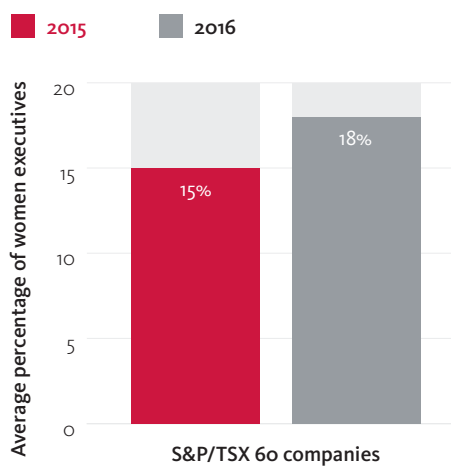


FIGURE 20.1: NUMBER OF WOMEN EXECUTIVES – S&P/TSX 60

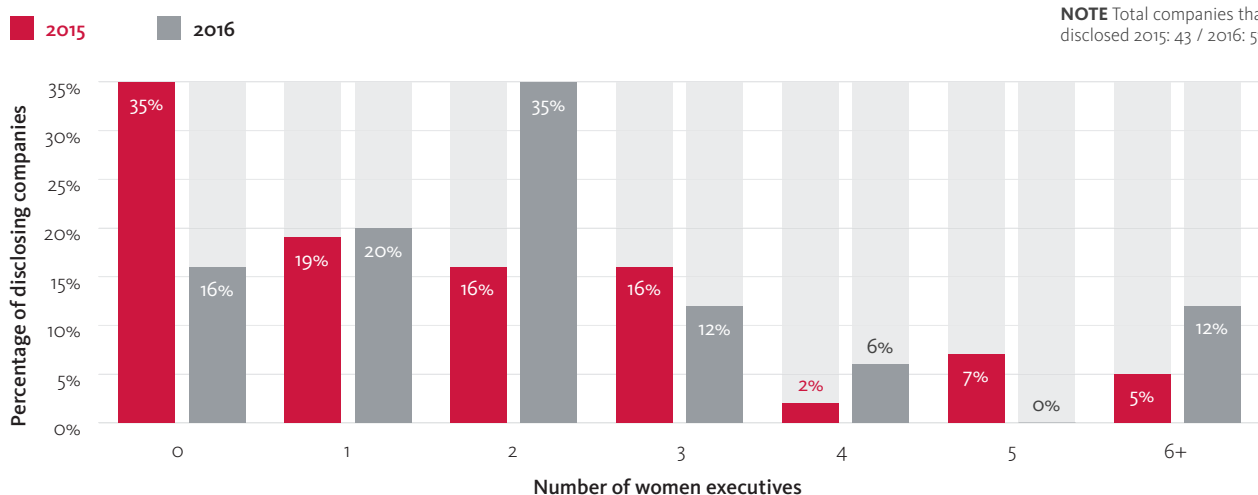
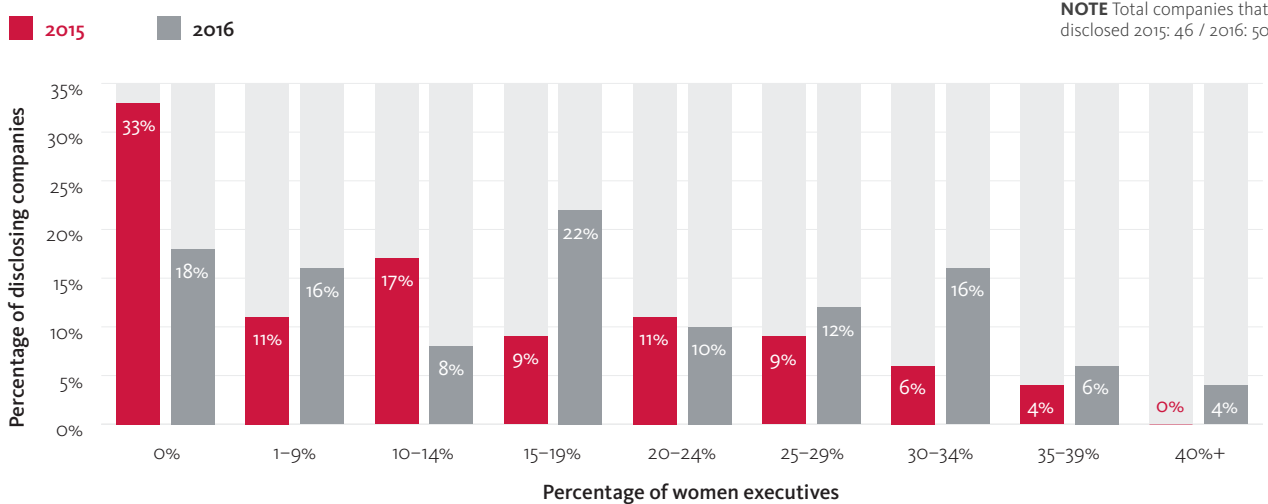


FIGURE 20.2: PERCENTAGE OF WOMEN EXECUTIVES – S&P/TSX 60

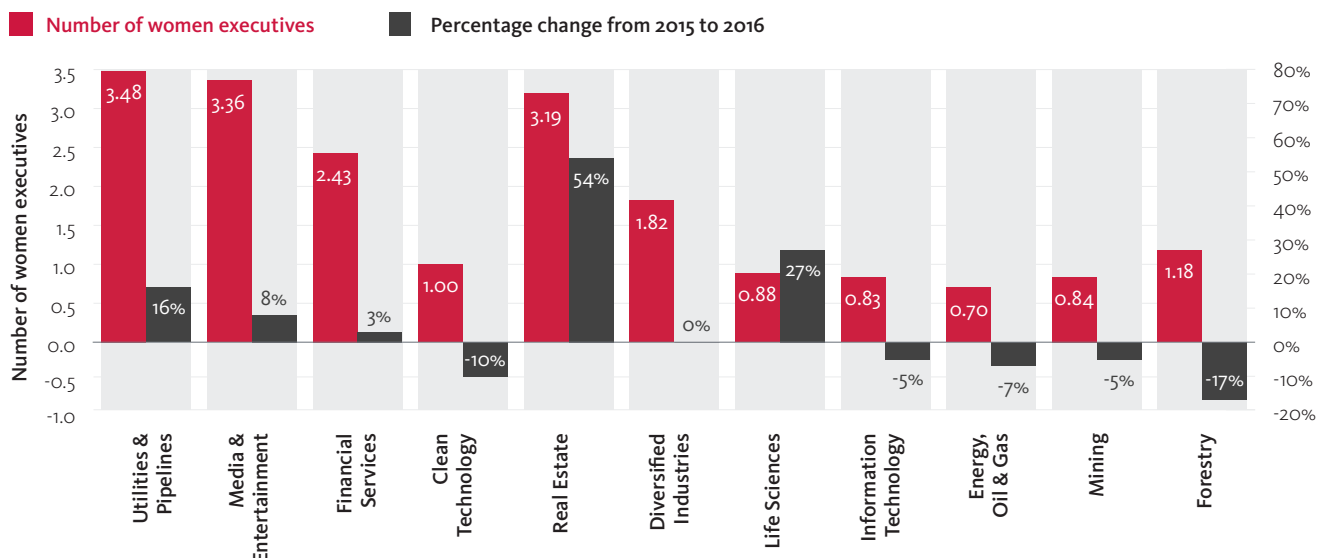


WOMEN EXECUTIVE OFFICERS BY INDUSTRY

In the 2016 Measurement Period, the rate of growth in the number of women executive officers was uneven. These results are illustrated in Figures 21 and 22. In terms of average numbers, Clean Technology, Mining, Energy, Oil & Gas, Information Technology, and Forest Products and Paper saw industry averages fall. On the other hand, Real Estate,

Life Sciences and Utilities & Pipelines saw significant increases. Real Estate led the pack with respect to growth, with the industry's average number of women executives increasing by 54%, from 2.07 to 3.19 between the 2015 Comparison Period and the 2016 Measurement Period.

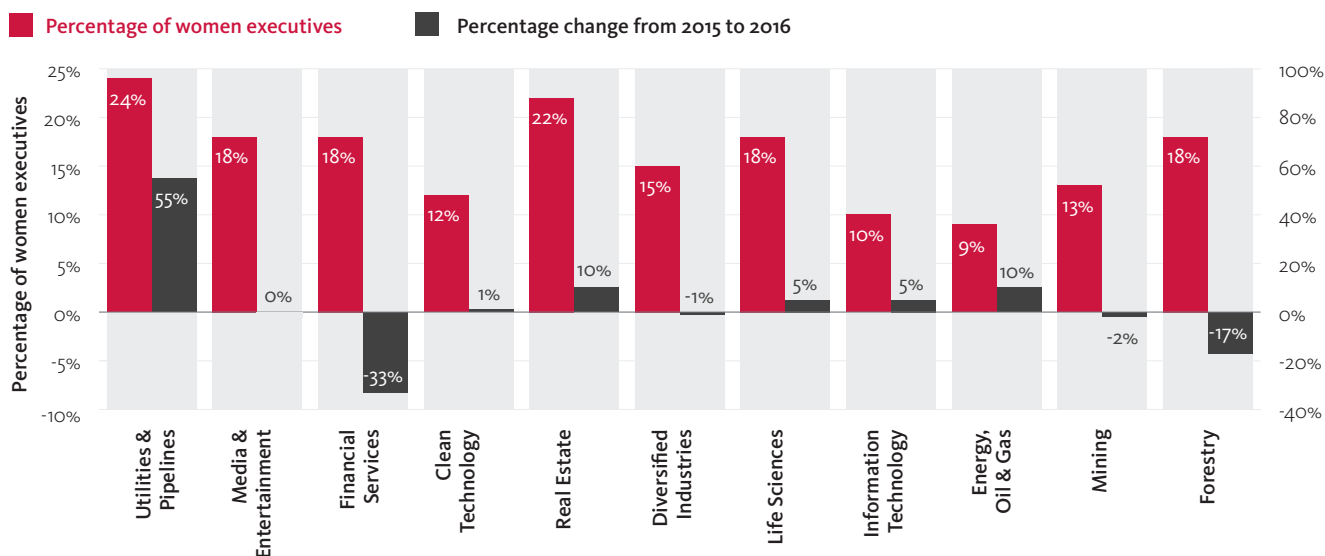
FIGURE 21: NUMBER OF WOMEN EXECUTIVES BY INDUSTRY



In terms of the proportion of women executives, Financial Services, Mining, and Forest Products and Paper all saw industry averages fall. The Financial Services industry's decline may be attributable to the fact that we have data for more companies in 2016 than we had in 2015. Utilities & Pipelines, Energy, Oil & Gas, and Real Estate picked up the

slack and saw the most positive growth in average women executive numbers. Of those, Utilities & Pipelines showed the most improvement, increasing its proportion of women executive officers by 55%, from an average of 15% in the 2015 Comparison Period to 24% in the 2016 Measurement Period.

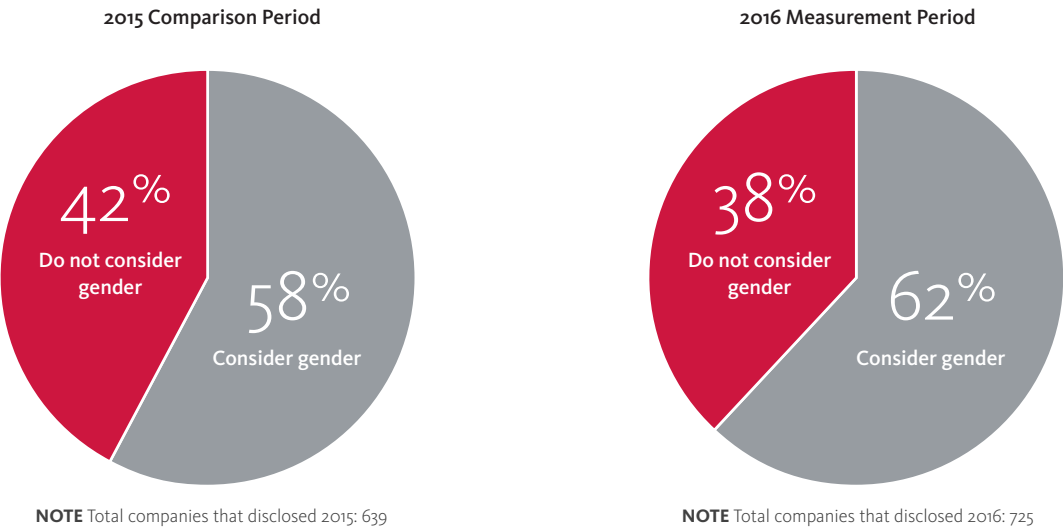
FIGURE 22: PERCENTAGE OF WOMEN EXECUTIVES BY INDUSTRY



**CONSIDERING THE REPRESENTATION OF WOMEN IN
APPOINTING EXECUTIVE OFFICERS**

In the 2016 Measurement Period, 725 companies disclosed whether or not they take into account the representation of women within their companies when deciding who to appoint to executive officer positions. Of those, 446 (62%) responded affirmatively. This is up from the 368 (58%) of the 639 companies in the 2015 Comparison Period. The proportion of companies reporting that they take gender into account when making executive appointments is considerably higher among S&P/TSX 60 companies – 48 (84%) of the 57 companies that disclosed this information reported doing so in the 2016 Measurement Period.

FIGURE 23: CONSIDERATION OF GENDER IN EXECUTIVE OFFICER APPOINTMENTS



Generally, the reasons that companies gave for not considering the current representation of women in the workplace when appointing executive officers remained the same between the 2015 Comparison Period and the 2016 Measurement Period. The three most common reasons for not considering gender are listed in Figure 24 below, with principles of meritocracy accounting for more than half of the reasons given. These three reasons accounted for the vast majority of the reasons for not considering gender, with none of the other reasons given appearing in more than 2% of the total responses.

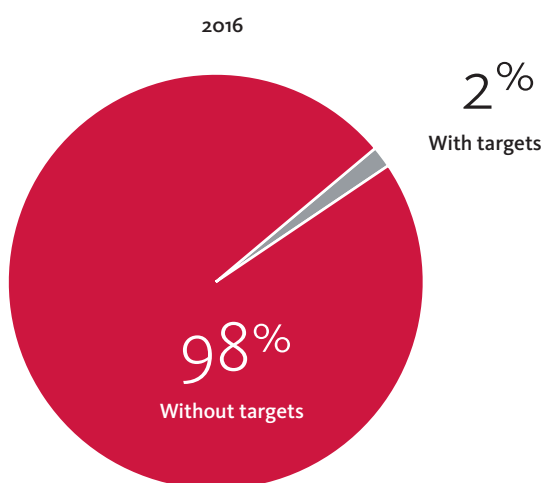
FIGURE 24: TOP THREE REASONS FOR NOT CONSIDERING GENDER IN EXECUTIVE OFFICER APPOINTMENTS

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Too restrictive given all factors to be considered

TARGETS FOR WOMEN EXECUTIVE OFFICERS

In the 2016 Measurement Period, 713 companies reported whether they did or did not have a target relating to the representation of women in executive officer roles. Of those, only 12 (1.7%) set targets for women in executive officer positions – up from nine companies, or 1.4%, in the 2015 Comparison Period. It is interesting to note that while 62% of companies in the 2016 Measurement Period reported considering the representation of women when appointing executive officers, less than 2% of companies actually set numerical targets to that effect.

FIGURE 25: PREVALENCE OF TARGETS FOR WOMEN EXECUTIVES AMONGST ALL COMPANIES



NOTE Total companies that disclosed: 711

TSX companies that have adopted targets for women executive officers in 2016		
25%	30% or more	Other
<p>Canadian Western Bank The bank has a target that at least 25% of the Executive Committee be comprised of women.</p> <p>Home Capital Group Inc. The corporation has adopted a target of at least 25% women executives.</p> <p>MCAN Mortgage Corporation The corporation has set a target to reach 25% women representation in executive officer roles by 2020.</p> <p>Transat A.T. Inc. The corporation aspires to have at least 25% of executive officer positions held by women by March 31, 2017.</p> <p>TransCanada Corporation The corporation aspires to have 25% of executive officer positions held by women by 2018.</p>	<p>Canadian Imperial Bank of Commerce The bank set a goal to achieve at least 30% to 35% women in executive officer roles by 2018.</p> <p>Cipher Pharmaceuticals Inc. Cipher has a target that each gender comprise at least one-third of the executive officers of the corporation by 2017.</p> <p>Royal Bank Of Canada RBC seeks to have 40% women executive officers by 2017.</p>	<p>ADF Group Inc. ADF Group aspires to have between 20% and 50% women in executive officer positions.</p> <p>Linamar Corporation Linamar has established a target of proportionate representation of women in executive positions, commensurate with the number of women in its overall workforce.</p> <p>Lundin Mining Corporation The Corporation will strive to maintain its current level of gender diversity among its women executives (36%).</p> <p>Norsat International Inc. Despite the small number of executive positions within the corporation, the Board has adopted a target of at least one woman in executive management.</p>

NOTE Some companies set targets for women in executive or senior management roles. We did not include companies which set diversity targets for positions other than "executive officer".

Fitting with the general trend, the top reason companies gave for not adopting targets regarding women executive officers was a desire to uphold the "principles of meritocracy."

FIGURE 26: TOP FIVE REASONS FOR NOT ADOPTING A TARGET FOR WOMEN EXECUTIVE OFFICERS

- ① Do not want to compromise the principles of meritocracy
- ② May not result in the best candidates being selected
- ③ Too restrictive given all factors to be considered
- ④ Number of directors/executives too low/low turnover
- ⑤ Ineffectiveness or arbitrariness

6

Best practices for advancing women in the workplace

In addition to providing a snapshot of the representation of women in senior leadership positions within Canadian companies, our survey of TSX-listed companies revealed a number of innovative programs designed to remove barriers to the advancement of women in the workplace. The following highlights a selection of best practices that stood out as we conducted our review.

MENTORSHIP PROGRAMS

Mentorship programs are key in facilitating the development of future women leaders. Innovative companies in this area include the Bank of Montreal, which has established a sponsorship program that connects talented women with company leaders. DHX Media crafts individual development plans for high potential women employees that include pairing aspiring women leaders with executive mentors in the company. Manulife Financial, Goldcorp and Kirkland Lake Gold have also established comparable mentorship initiatives.

REMOVING SYSTEMIC BARRIERS

A critical part of fostering gender diversity in any company is identifying and removing systemic barriers to the advancement of women. Noteworthy companies in this regard include Sun Life Financial which reviews the compensation of women holding executive and senior management positions to ensure fairness and to eliminate any systemic biases. Osisko Gold Royalties maintains a gender-balanced list of potential board candidates. In 2002, the Royal Bank of Canada established its “Diversity Leadership Council” whose mandate is to craft diversity initiatives and action plans with progress that can be objectively measured. Agnico Eagle Mines Limited has taken the exemplary step of partnering with the Mining Industry Human Resource Council to identify and reduce systemic barriers preventing the advancement of women in the mining sector.

NETWORKING PROGRAMS

Networking opportunities are key to the success of any professional, and are especially important for women professionals – as a group they continue to be underrepresented in leadership positions. AGF Management has a number of networking initiatives aimed at facilitating the development of female talent. Executive Vice President and COO Judy Goldring hosts workshops and networking events throughout the year for women employees. AGF also started the “Women’s Alliance Network,” a peer support group for high potential female talent across the company. The Aecon Group has also established a similar initiative, called the “Women of Aecon Group,” which allows women within the company to connect and share knowledge with one another. SNC Lavalin, Manulife Financial and Thomson Reuters have similar programs in place.

TRAINING PROGRAMS

Training programs designed specifically for women have the dual effect of reducing systemic barriers facing women while actively developing talent. Goldcorp has been especially innovative in this regard, implementing an enterprise-wide diversity program that educates women employees on a variety of different topics, including career planning, developing a personal brand and building effective relationships. Teck Resources is proactive in identifying talented women for its leadership development programs and encouraging them to apply for more senior positions.

FLEXIBLE WORK ARRANGEMENTS

Balancing the stress of both starting a family and excelling in professional life is one of the most significant challenges facing women in the workplace. This year, it appears that companies have taken notice. Teck Resources has developed flexible scheduling programs in an effort to retain top female talent. Manulife Financial also provides flexible work arrangements and allows employees to take family leave. Power Financial Corporation, Velan Incorporated, Endeavour Mining, Boardwalk Real Estate Investment Trust and Intact Financial Corporation disclosed similar initiatives.

Best Practices for Advancing Women in the Workplace		
	Examples of innovative leaders:	Other leaders:
Mentorship Programs	<p>Loblaw Companies Loblaw's Diversity and Inclusion Council focusses on mentoring and recruiting practices based on inclusion strategies and principles that can help women grow their careers to the highest levels within the company.</p> <p>Bank of Montreal BMO has established a sponsorship program that connects talented women with company leaders.</p>	<ul style="list-style-type: none"> • DHX Media • Manulife Financial • Goldcorp • Kirkland Lake Gold
Networking Programs	<p>Manulife Financial Manulife's Global Women's Alliance (GWA) creates internal employee communities for women that focus on professional development and networking. The GWA nearly doubled to 15 chapters worldwide in 2015 and each chapter has an executive sponsor to increase exposure and impact.</p> <p>Corus Entertainment Inc. Corus Entertainment developed the Corus Women's Leadership Network to allow all women employees the opportunity to network with individuals within the company.</p>	<ul style="list-style-type: none"> • AGF Management • The Aecon Group • SNC Lavalin • Thomson Reuters
Training Programs	<p>Goldcorp Goldcorp has implemented training programs for women employees on topics like career planning, developing a personal brand and building effective relationships.</p> <p>Royal Bank of Canada RBC has a Diversity Leadership Council which undertakes initiatives to increase the representation of women within the bank. One of their initiatives includes their Women in Leadership Program which, among other things, provides women with access to formal development training.</p>	<ul style="list-style-type: none"> • Teck Resources
Flexible Work Arrangements	<p>Manulife Financial Manulife is revising workforce policies around flexible work arrangements and family leave to better accommodate and retain women employees.</p> <p>Teck Resources Limited Teck Resources has developed flexible work arrangements and other family-friendly policies for mid-career women to assist with recruitment and retention.</p>	<ul style="list-style-type: none"> • Power Financial Corporation • Velan Incorporated • Endeavour Mining • Boardwalk Real Estate Investment Trust • Intact Financial Corporation

Building External Partnerships	<p>Manulife Financial Manulife is creating more external partnerships with organizations (e.g., Women in Capital Markets, Catalyst) that emphasize the importance of female advancement.</p> <p>Royal Bank Of Canada RBC is a founding member of the Canadian chapter of the 30% Club, a company that aspires to have 30% female directors by 2020.</p> <p>Corus Entertainment Inc. Corus Entertainment made a financial commitment to create the Corus Entertainment Chair in “Women in Management” at the Richard Ivey School of Business at Western University. The Chair was established to develop innovative research, teaching materials and outreach programs on women in management positions.</p>	
Promoting a Change in Culture	<p>TELUS Corporation At TELUS, vice presidents and above receive training on conscious and unconscious bias as a way to enhance their talent development approach. Also, TELUS’ Diversity and Inclusiveness Office has created team member resource groups for various minority groups (i.e., women, Aboriginal peoples, employees with varying abilities, new immigrants, LGBTQ) to help spread a “cultural evolution” on diversity and inclusiveness.</p> <p>Teck Resources Limited Teck Resources has adopted a gender neutral approach to its job descriptions and job titles.</p>	
Monitoring Activities	<p>Kinross Gold The Kinross Way for Diversity and Inclusion assesses the reasons why women employees are attracted to work at Kinross. Women employees who leave the company are given exit interviews to determine if there are any unique reasons that led them to leave Kinross.</p> <p>Corus Entertainment Inc. Corus Entertainment maintains an ongoing Job Evaluation Program to ensure its commitment to the principle of equal pay for work of equal value is upheld and robust.</p> <p>Toronto-Dominion Bank Each business within TD monitors its respective progress against TD’s diversity objectives on a quarterly basis.</p>	

LEADING COMPANIES FOR THE REPRESENTATION OF WOMEN IN DIRECTOR AND EXECUTIVE OFFICER POSITIONS

As added inspiration, in this section we highlight diversity leaders which have shown that reaching gender parity on boards and among executive officers is possible. In 2015, five companies reported having at least 50% representation of women in director positions. At July 31, 2016, that number had fallen to four.

TSX companies with at least 50% representation of women in director positions	
2015	2016
DH Corporation (50%)	DREAM Unlimited (62.5%)
DREAM Unlimited (62.5%)	HSBC Bank Canada (50%)
HSBC Bank Canada (50%)	Sienna Senior Living (50%)
Sienna Senior Living (50%)	TVA Group Inc. (50%)
TVA Group Inc. (55%)	

In 2015, 30 companies reported having at least 50% female representation in executive officer positions, with ten of those companies having female representation of over 50%. At July 31, 2016, 32 companies reported having at least 50% female representation in executive officer positions of which seven reported female representation of over 50%.

TSX companies with over 50% representation of women in executive officer positions	
2015	2016
Canadian Apartment Properties Real Estate Investment Trust (55%)	Crosswinds Holdings Inc. (67%)
Crosswinds Holdings Inc. (67%)	Imvescor Restaurant Group Inc. (66%)
Dream Office Real Estate Investment Trust (100%)	Killam Apartment Real Estate Investment Trust (55%)
Indigo Books & Music Inc. (55%)	Le Château Inc. (64%)
Killam Properties Inc. (55%)	Second Cup Ltd. (57%)
Le Château Inc. (64%)	Sienna Senior Living (60%)
Reitmans (Canada) Ltd. (53%)	Wall Financial Corp. (67%)
Second Cup Ltd. (The) (60%)	
Sienna Senior Living (67%)	
Wall Financial Corp. (67%)	

TSX companies reporting exactly 50% representation of women in executive officer positions

2015	2016
Acadian Timber Corp.	Acadian Timber Corp.
Capstone Mining Corp.	Big Rock Brewery Inc.
Cardiome Pharma Corp.	Canadian Apartment Properties Real Estate Investment Trust
Cipher Pharmaceuticals Inc.	Capstone Mining Corp.
Dream Global Real Estate Investment Trust	Chesswood Group Limited
Dream Industrial Real Estate Investment Trust	Currency Exchange International Corp.
Dundee Energy Limited	Dream Global Real Estate Investment Trust
Etrion Corporation	Dream Industrial Real Estate Investment Trust
Extendicare Inc.	Dream Office Real Estate Investment Trust
GeneNews Limited	Dundee Energy Limited
Geologix Explorations Inc.	Eldorado Gold Corporation
Golden Queen Mining Co. Ltd.	Enbridge Income Fund Holdings Inc.
Immunovaccine Inc.	Encana Corporation
Jayden Resources Inc.	Extendicare Inc.
Partners REIT	GeneNews Limited
PrairieSky Royalty Ltd.	Immunovaccine Inc.
Stonegate Agricom Ltd.	INV Metals Inc.
True North Commercial REIT	Mainstreet Equity Corp.
Wallbridge Mining Company Ltd.	NovaCopper Inc.
Yellowhead Mining Inc.	PrairieSky Royalty Ltd.
	Primero Mining Corp.
	Response Biomedical Corp.
	Stonegate Agricom Ltd.
	TransAlta Corporation
	True North Commercial Real Estate Investment Trust

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