



Governance Studio

# TSX 60 Gender Diversity Scan



2014 Report

**Prepared by:**

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## Introduction

Governance Studio is a strong supporter of diversity, in particular gender diversity, on Canadian boards. While we recognize that diversity is much broader than just gender, as gender is the current watermark and has the most accessible public information available, it was used in our research. When we refer to diversity in this report, we are referring specifically to gender diversity.

As part of our commitment to improving diversity, we reviewed disclosure from Canada's largest corporations listed on the Toronto Stock Exchange (TSX) to see how they were responding to the anticipated legislation and pressure from stakeholders to address board diversity. Our scan evaluated disclosures from the TSX 60 as they tend to have more resources and are typically under the most scrutiny from stakeholders. Our expectations were that most large corporations would provide disclosure about their diversity practices in advance of the coming regulations. However, in general, this was not what we found in our research.

Our key objective in identifying leaders in diversity disclosure and programming was to share current practices with Canadian organizations to help them address the upcoming rules and stakeholder concerns.

In addition, Governance Studio has designed an initiative – Diversity One – to improve diversity while keeping the key nominating decisions in the hands of the board. You can find more information on Diversity One at the end of this report.

## Results

Governance Studio's 2014 TSX 60 Gender Diversity Scan found that most companies are not yet addressing the significant issue of diversity in the boardroom.

It is expected that rules from the Ontario Securities Commission will require some level of "comply or explain" disclosure next year of the way in which companies address diversity at both the board and management levels. Despite these upcoming requirements, very few of Canada's largest companies took a proactive approach in providing transparent disclosure for their 2014 annual meetings.

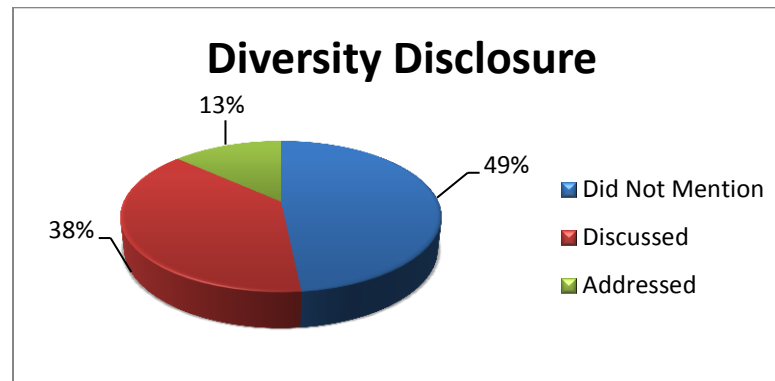
## Key Highlights

- Only 13% of the TSX 60 have transparently addressed diversity and almost half did not mention the issue
- Fully 43% of the TSX 60 nominated three or more women to their boards
- Only 35% of the TSX 60 have at least 25% women on their boards
- Often companies who have some reasonable level of gender diversity (based on the number of female nominees) did not provide meaningful disclosure
- Some companies are providing diversity goals that only cover independent directors, which reduces their overall diversity percentage
- Definitions of diversity are scarce and generally vague
- A handful of companies have taken on diversity transparency and can serve as inspiration for others

## Major Findings

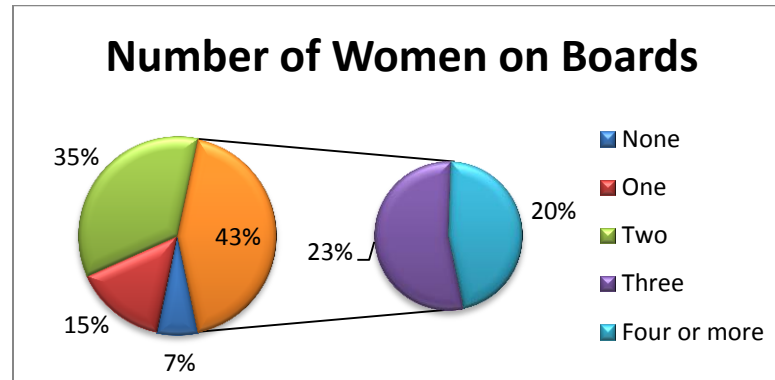
Within the TSX 60:

- Almost half of the companies **Did Not Mention Diversity** – that is, they do not even use the word “diversity” in their disclosure or used it in a very generic manner, such as “the board considers a diversity of experience, skills and expertise”
- Over one-third **Discussed Diversity** – that is, they talk about diversity in some meaningful way and many already have relatively diverse boards
- Only 13% **Addressed Diversity** – that is, they have taken action on diversity in their boardrooms and have adopted a policy to address diversity within their boardrooms and, in some cases, their broader organizations; and, they are providing transparent disclosure on one or more facets of diversity

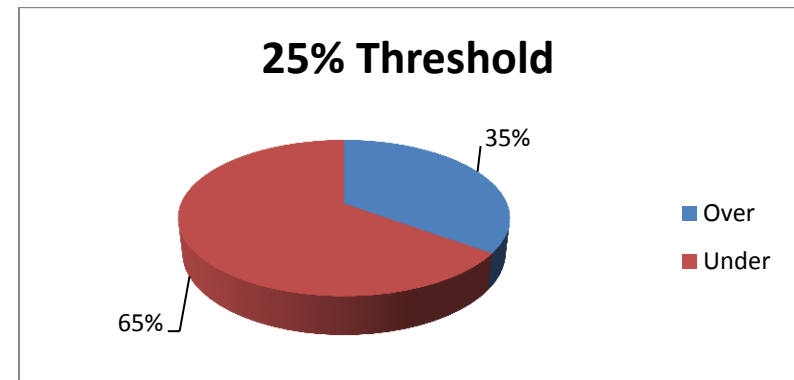
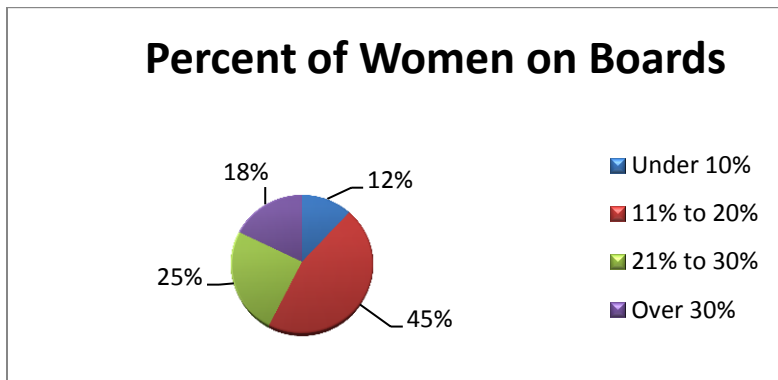


## Numbers and Percentages of Women on Board and the Critical Thresholds

Most discussion of board diversity and various research conducted with women sitting on boards indicates that three is the “magic” number for women to feel that they truly have a voice in the boardroom. The TSX 60 Gender Diversity Scan shows that Canada’s biggest and best are coming to terms with that concept. Fully 43% of the TSX 60 companies have three or more women on board.



An alternate perspective is that when there are 25% or more women on the board, they have a strong voice. In the case of the TSX 60, over one-third of boards have at least 25% women, but over two-thirds have 20% or fewer women on board.



## The Role Models

Governance Studio found three companies who were ahead of their peers in terms of transparency and disclosure about diversity. They are:

- **Cameco Corporation**, who provided the most comprehensive disclosure, including disclosure of a definition of diversity, as well as a policy, a goal and their current progress toward that goal
- **National Bank of Canada**, who have adopted a diversity statement, disclose their goal of gender parity on the board and indicate that they have almost 50% of their officer positions held by women
- **Goldcorp Inc.**, who provide disclosure on their unique and in-depth program to improve diversity in their workforce and management team

## Not on Board

Governance Studio found two companies who have no women on their boards and did not speak to the subject meaningfully in their disclosure. They are:

- Crescent Point Energy Corp.
- First Quantum Minerals Ltd.

## Overall Commentary

Canada's biggest companies are, not surprisingly, ahead of the field in acting on diversity, even if they are not disclosing their practices. It is clear that if the largest and most sophisticated can find qualified females, there is really no excuse for smaller companies to have poor gender diversity.

## Study Notes

The study looked at public disclosure, in the form of management information (proxy) circulars, released by each company in the TSX 60 as of April 30, 2014 for their most recent annual meeting of shareholders.

## Full Results

TSX 60 Company	Did Not Mention Diversity	Discussed Diversity	Addressed Diversity	Disclosed Definition	Disclosed Policy	Disclosed Goal	Women of Nominees	Percentage of Women
Agnico Eagle Mines Limited	√						3/13	23%
Agrium Inc.		√					2/11	18%
ARC Resources Ltd.	√						1/10	10%
Bank of Montreal			√			√	4/13	31%
Bank of Nova Scotia (The)			√				4/14	29%
Barrick Gold Corporation		√					2/12	17%
BCE Inc.	√						2/13	15%
BlackBerry Limited	√						2/6	33%
Bombardier Inc.	√						3/15	20%
Brookfield Asset Management Inc.	√						2/16	13%
Cameco Corporation			√	√	√	√	3/13	23%
Canadian Imperial Bank of Commerce		√					5/16	31%
Canadian National Railway Company		√		√			3/13	23%
Canadian Natural Resources Limited	√						1/12	8%
Canadian Oil Sands Limited		√					1/11	9%
Canadian Pacific Railway Limited	√						4/13	31%
Canadian Tire Corporation Limited	√						2/16	13%
Catamaran Corporation	√						2/9	22%
Cenovus Energy Inc.	√						1/9	11%
CGI Group Inc.	√						2/14	14%
Crescent Point Energy Corp.	√						0/8	0%

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Eldorado Gold Corporation		√					0/8	0%
Enbridge Inc.		√					2/12	17%
Encana Corporation	√						3/9	33%
Enerplus Corporation	√						2/13	15%
First Quantum Minerals Ltd.	√						0/9	0%
Fortis Inc.	√						2/10	20%
George Weston Limited		√					2/12	17%
Gildan Activewear Inc.		√					1/9	11%
Goldcorp Inc.			√				2/10	20%
Husky Energy Inc.	√						2/15	13%
Imperial Oil Limited	√						2/7	29%
Kinross Gold Corporation			√	√			3/12	25%
Loblaw Companies Limited		√					3/14	21%
Magna International Inc.	√						3/11	27%
Manulife Financial Corporation		√					4/14	29%
Metro Inc.	√						3/15	20%
National Bank of Canada			√			√	5/15	33%
Pembina Pipeline Corporation		√					1/9	11%
Penn West Petroleum Ltd.	√						1/8	13%
Potash Corporation of Saskatchewan Inc.		√					4/13	31%
Power Corporation of Canada	√						2/11	18%
Rogers Communications Inc.	√						4/16	25%



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Royal Bank of Canada			√				4/14	29%
Saputo Inc.	√						4/11	36%
Shaw Communications Inc.		√					3/16	19%
Silver Wheaton Corp.	√						1/9	11%
SNC-Lavalin Group Inc.		√					2/11	18%
Sun Life Financial Inc.	√						3/11	27%
Suncor Energy Inc.		√					2/13	15%
Talisman Energy Inc.		√					2/13	15%
Teck Resources Limited		√					2/14	14%
Telus Corporation			√				2/14	14%
Thomson Reuters Corporation	√						2/13	15%
Tim Hortons Inc.		√					3/12	25%
Toronto-Dominion Bank (The)		√					5/16	31%
TransAlta Corporation		√					4/11	36%
TransCanada Corporation		√					3/11	27%
Valeant Pharmaceuticals International Inc.		√					3/10	30%
Yamana Gold Inc.		√					0/8	0%

## About Diversity One

Diversity One is an initiative of Sylvia Groves and Governance Studio, that seeks to improve diversity on North American boards through one simple step that ensures the board doesn't lose the ability to choose the best candidate.

Boards simply adopt a policy to **interview** one diverse candidate for every empty board seat. This requires boards to expand and get to know a rich and vibrant candidate pool that they have not yet tapped.

To learn more about Diversity One and access valuable resources, visit [www.DiversityOne.org](http://www.DiversityOne.org).

## About Sylvia Groves and Governance Studio

Sylvia Groves, FCIS, President and Creative Director of Governance Studio, is a facilitator, consultant, and author of the highly acclaimed book: *AAA+ Minutes™ – The Three Must-Do Fundamentals And 100s Of Practice Tips For Writing Minutes That Protect Your Organization And Its Directors*. She created Governance Studio based on her award-winning work in corporate governance. The firm works exclusively with organizations that seek to apply effective governance practices as a fundamental way to add value. Through Sylvia's expertise and no-nonsense practical advice, Governance Studio has helped thousands of corporate secretaries and directors enhance the effectiveness of their boards and their organizations.

Governance Studio has been *Adding Value to Every Seat at the Boardroom Table™* by creating tailored corporate governance programs that build an effective governance legacy for each organization beyond today. To learn more about Governance Studio, visit [www.GovernanceStudio.ca](http://www.GovernanceStudio.ca).

For a Governance Studio media kit, visit <http://www.governancestudio.ca/media-kit/>.

## More Information

For more information or to book an interview with Sylvia Groves, please email her at [Sylvia@GovernanceStudio.ca](mailto:Sylvia@GovernanceStudio.ca) or call her at 403.991.2154.