

A Call to Action, Intensified

The 30% Club Investor Group doubles down on their commitment

In September 2017, sixteen Canadian asset owners and asset managers published a **Statement of Intent** to use their collective voice as public company investors and members of the 30% Club Investor Group to help drive meaningful progress on gender diversity across the country's offices and boardrooms.

The message was clear – increased gender diversity in the corporate boardroom is good for business; gender diverse boards are more collaborative, less likely to exhibit groupthink, more innovative, and a recent CIBC study showed that companies with at least one woman on their board outperform those with no women by over 3%.

The aim was clear – 30% representation of women on the boards and executive management teams of S&P/TSX composite index companies by 2022.

And the intent was equally as clear – the Investor Group will hold the companies in which they invest accountable for real change.

The Investor Statement committed its supporters to playing a proactive role and engaging with investee companies on corporate governance issues, such as the process boards use to identify suitable candidates for board roles, and the development of a pipeline of talent for executive roles. The Statement also demonstrated the ways in which members will use their ownership rights and undertake stewardship to encourage progress on gender diversity, such as taking voting action against members of the board when diversity expectations fall short.

One year on from our call to action, and one year closer to the 5-year, 30% target, the direction of travel is positive. According to the Canadian Securities Administrators, which recently published its **fourth annual staff review** of disclosure regarding women on boards and in executive officer positions:

- The total percentage of board seats held by women increased from 14% to 15% in the past year (a number that has increased from 11% in year one).
- 29% of board vacancies were filled by women in the most recent year, compared to 26% last year, and two thirds of those companies in the sample had at least one woman on their board.
- 42% of companies have adopted a policy relating to the representation of women on their board, an almost three-fold increase from year one, and the percentage of companies that have adopted targets has more than doubled to 16% this year.
- On the executive officer side, we are also seeing progress, with two thirds of the sample companies having at least one woman in executive officer positions this year, and an increase in the number of companies adopting targets for the representation of women in these positions.

While the statistics are all trending positively, progress continues to be slow. The 30% goal is still a long way off, and at the current rate, the idea of gender parity in Canada's boardroom is unlikely to be achieved in many of our lifetimes. Clearly there is still much work to be done.

We, the Investor Group that published our Statement of Intent over one year ago, reiterate our call to action, with a commitment to intensify our efforts. Some of these actions will include using our voting rights as well as escalating individual and collective engagement activity. We expect, and urge, Canada's boardrooms to equally intensify their efforts to enhance female representation at both the board level and in senior management.