

GET ON BOARD

The background features several overlapping geometric shapes, primarily triangles and polygons, in various shades of blue and purple. These shapes are positioned behind the main text and extend towards the bottom of the page, creating a modern, abstract design.

***Ontario's Implementation Plan to
Promote Women in Corporate Leadership***

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Message from the Premier

Throughout Ontario's history, women have been making enormous contributions to our province — and we want that to continue, on equal footing.

Women make up half of Ontario's workforce and more than half of postsecondary graduates, yet they continue to be under-represented in leadership positions.

I believe government has a critical role to play in advancing gender equality. In 2014, Ontario became the first province in Canada to introduce comply or explain regulations for companies listed on the TSX. Since then, several other provinces have followed our lead, and Ontario has gone one step further by announcing specific targets for public and private-sector boards.

We take these targets very seriously. GET ON BOARD — Ontario's Implementation Plan to Promote Women in Corporate Leadership is the next step in meeting them, and seeing more women taking their place in Ontario's executive offices, on boards and in other positions of leadership.

Throughout my career, I have been privileged to work with many talented and smart women. I have the utmost respect for their creativity, their compassion and the collaborative leadership style they bring to their jobs.

Study after study shows that gender diversity in corporate leadership has measurable benefits for companies. Gender diversity is linked to stronger financial performance, heightened innovation and enhanced client insight.

The evidence is clear: when women succeed, we all succeed. And government can play a role.

That is why we are helping 100,000 more kids access licensed child care in the province. No woman should have to choose between raising a family and advancing her career. It is why we are making university and college tuition free for hundreds of thousands of students. Every woman should be able to get a postsecondary education, at any stage of her life.

In all the steps we are taking, we are helping build a stronger economy and a fairer, better Ontario for women — and for everyone.

Original signed by

Kathleen Wynne
Premier

Message from the Minister of the Status of Women

Women make up half of Ontario's workforce, and more than half of our post-secondary graduates. There is no shortage of talented and qualified women with the skills, education and experience to take on the challenges of the boardroom.

However, women are still under-represented in leadership positions. This is not acceptable. Institutional barriers and individual biases persist, making it challenging for women to reach their full potential in the workplace.

Gender diversity encourages greater productivity and innovation in the workplace. In corporate leadership, gender diversity is linked to better governance and stronger financial performance. Having women on boards is also linked to higher levels of corporate social responsibility.

We've been working with Ontario's top corporate governance experts to build this plan. Our Women in Business Steering Committee has provided valuable insight on strategies to improve the representation of women on boards in the private and public sectors.

GET ON BOARD – Ontario's Implementation Plan to Promote Women in Corporate Leadership is the first of its kind in Canada. Focusing on three pillars – demonstrating government leadership, strengthening transparency of gender-based data, and working in partnership with business, this plan aims to provide a roadmap for gender diversity on boards in Ontario. It recognizes the roles and responsibilities of different sectors, and how we can all contribute to ensuring that women have equal access to leadership opportunities.

During this time of rapid economic change, Ontario has a plan to create fairness and opportunity for everyone. It is time for women to be counted as equal partners in leading Ontario's economy.

Original signed by

Harinder Malhi

Minister of the Status of Women

Message from the Minister of Finance

In Ontario, we're always looking for ways to improve, and for too long, women have faced systemic barriers in achieving leadership and executive positions in the workplace. We have made strides, but there is more work to do in levelling the playing field.

GET ON BOARD – Ontario's Implementation Plan to Promote Women in Corporate Leadership will guide the advancement of gender diversity on provincial boards and agencies and encourage the private sector to follow suit.

Organizations with gender diverse boards have demonstrated greater collaboration and produced higher economic returns. Enabling the presence of women in corporate leadership fosters success for companies, our province, and our society.

Original signed by

Charles Sousa
Minister of Finance

Context for Action and Business Case for Gender Diversity in Corporate Leadership

Despite the strong economic and social business case to promote women in leadership, women continue to be significantly under-represented in leadership roles in the private sector. Recent research released by the Canadian Securities Administrators (CSA) demonstrates that, while the representation of women on boards and in executive officer positions is moving in the right direction, reflecting a positive trend, clearly there is still progress to be made.¹

The Ontario government recognizes the importance of increasing the number of women, particularly diverse groups of women, on boards. There is a need for stronger concerted efforts by the Ontario government and both the public and private sectors, to ensure that women have equal opportunities to succeed and grow, and to contribute to the province's prosperity.

GET ON BOARD – Ontario's Implementation Plan to Promote Women in Corporate Leadership provides the groundwork and direction for the Ontario government's work to advance gender diversity on provincial boards and agencies, as well as to support private sector efforts to promote women on corporate boards.

The CSA have conducted three consecutive annual reviews of corporate governance disclosures of certain Toronto Stock Exchange (TSX) listed issuers, beginning in September 2015. Of the 660 TSX-listed issuers whose disclosure was reviewed for 2017:

- 14 per cent of total board seats are occupied by women, up from 11 per cent in the first year and 12 per cent in the second year;
- 11 per cent of issuers adopted targets for the representation of women on their boards, up from 7 per cent in the first year and 9 per cent in the second year, while 3 per cent adopted targets for the representation of women in executive officer positions, up from 2 per cent in the previous two years;
- 15 per cent of issuers added one or more women to their boards in the current year; and further, the number of issuers with one, two, three or more women on their boards has increased each year over the three years covered by the reviews; and

¹ Canadian Securities Administrators, "CSA Multilateral Staff Notice 58-309 Staff Review of Women on Boards and in Executive Officer Positions – Compliance with NI 58-101 Disclosure of Corporate Governance Practices", October 5, 2017

- Of the 505 board vacancies that were filled in the current year, 131 or 26 per cent were filled by women.

Stakeholders and experts argue that gender diversity is linked to positive financial and non-financial measures. Research demonstrates that gender diversity in leadership in all sectors benefits women individually as well as our economy. Increasing women's leadership opportunities supports the province's economic prosperity, and is a critical component of Ontario's plan to help businesses compete, succeed and grow.

Why Promoting Women on Boards Makes Good Business Sense:

- Organizations with gender diverse boards and senior leadership teams exhibit higher returns on equity, higher valuations, and higher profits.
- Organizations with gender diverse boards tend to file more patents.
- Preliminary evidence shows that diversity can help drive innovation.
- Over an eight-year period, S&P/TSX companies with at least one woman on their board produced an annual 11% compound return – outperforming their peers by more than 3%.

Source: Canadian Gender and Good Governance Alliance, *Directors' Playbook*, October 17 2017, <http://www.cggga.ca/directors-playbook>

Additional benefits of board gender diversity include²:

- Reduced boardroom homogeneity mitigates the risk of group think, and increases the quality of strategic decisions;
- Organizations with more women on their boards scored higher on corporate governance indicators;
- Meaningful improvements to gender diversity on boards relates to enterprise risk mitigation, opportunity identification and cultural benefits; and
- Gender diverse teams result in increased innovation and better decision-making in complex situations.

Stakeholders have advised the Ontario government that more needs to be done to promote women on boards. In summer 2017, the Ministry of the Status of Women held stakeholder

² Canadian Gender and Good Governance Alliance, *Directors' Playbook*, October 17 2017, <http://www.cggga.ca/directors-playbook>

consultations on women's economic empowerment. Stakeholders were loud and clear that more concerted efforts are needed to advance women, particularly diverse groups of women, in public, private, political and community leadership roles.

Government Commitment

Increasing the number of women in leadership in the private and public sectors continues to be an important priority for the Ontario government. Ontario is committed to ensuring that women are more equitably represented in leadership positions across the province and in Canada.

The Ontario government has worked closely with private sector members of the Women in Business Steering Committee, co-chaired by the Honourable Harinder Malhi, Minister of the Status of Women, and the Honourable Charles Sousa, Minister of Finance. The Steering Committee has provided valuable input and private sector expertise on recommendations made in the Ontario government-commissioned Catalyst report *Gender Diversity on Boards in Canada: Recommendations for Accelerating Progress*.³

Steering Committee members highlighted the importance of government leadership and commitment, and a need for the private sector to centralize efforts to promote the business case to lagging companies and provide them with practical tools to promote women, particularly diverse groups of women, on their boards and in executive officer positions.

The Steering Committee's input helped inform the proposed actions under this implementation plan, and moving forward the government will continue to seek its expert advice on how to further promote women on private and public-sector boards.

One of the recommendations in the Catalyst report was to implement targets for the number of women on boards. Premier Wynne announced the following gender diversity targets in 2016:

- By 2019, women are to make up at least 40 per cent of all appointments to every provincial board and agency; and
- Businesses were to set a target by the end of 2017 of appointing 30 per cent women to their boards and achieve this target within three to five years.

³ Catalyst, *Gender Diversity on Boards in Canada: Recommendations for Accelerating Progress*, June 7, 2016, <http://www.catalyst.org/knowledge/gender-diversity-boards-canada-recommendations-accelerating-progress>

Ontario will be taking action and tracking the number of women on provincial boards and agencies, while the Ontario Securities Commission (OSC) and other members of the CSA will continue to track the number of women on TSX-listed issuer boards.

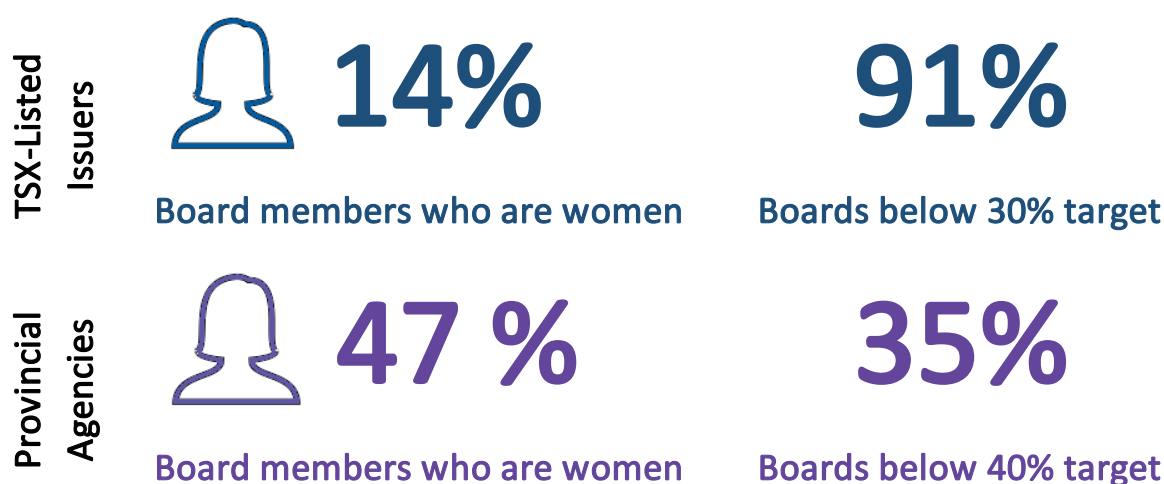
The Ontario government and the public and private sectors have an important role to play in improving the representation of women on boards. This implementation plan outlines actions that will help achieve this goal.

GET ON BOARD — Ontario's Implementation Plan to Promote Women in Corporate Leadership

Ontario is proposing a multi-pronged approach relying on public and private-sector efforts to position Ontario as a leader in North America in promoting women on boards.

Most provincial boards and agencies already meet the 40 per cent target, and only 35 per cent are below the target. The Ontario government has a role to play in ensuring that these provincial boards and agencies meet the 40 per cent target by the end of 2019.

The private sector also needs to step up efforts – 91 per cent of TSX-listed issuers are below the 30 per cent target for women on their boards.



Action 1: Government Leadership to Promote Women on Provincial Boards and Agencies

Improve Tracking on the 40 Per Cent Target for Provincial Boards and Agencies

The Ontario government is leading by example and making progress on reaching the 40 per cent target. By December 2019, it is expected that women are to make up at least 40 per cent of appointments to each provincial board and agency.

A number of provincial boards and agencies are already surpassing the 40 per cent target. Some of these are profiled below.

Ontario's Public Sector is Leading by Example

Provincial Boards and Agencies Surpassing the 40% Target

As of January 2018, several of Ontario's agencies are led by women and have boards where female appointees make up over 40%:

- Ontario Arts Council – 8 of 12 board members are women (67%)
 - Chair – Rita Davies
- Ontario Energy Board – 7 of 10 board members are women (70%)
 - Chair – Rosemary Leclair
- Ontario Human Rights Commission – 6 of 10 commissioners are women (60%)
 - Chief Commissioner – Renu Mandhane
- Ontario Securities Commission – 7 of 16 board members are women (44%)
 - Chair and CEO – Maureen Jensen
- Safety, Licensing Appeals and Standards Tribunals Ontario – 131 of 205 members are women (64%)
 - Executive Chair – Linda Lamoureux

Progress to Date

Ontario's Public Appointments Secretariat has developed an action plan to support ministries and raise awareness of the 40 per cent target. Actions include:

- ✓ **Raising awareness** about the target, both internally within government as well as with provincial agency boards.

- ✓ **Identifying provincial boards** and agencies with few women and **working with ministries** to increase appointments of qualified women.
- ✓ **Monitoring progress** for appointments to all provincial boards and agencies.
- ✓ **Providing training** to public appointments staff on how to improve gender board diversity.
- ✓ **Conducting outreach** to non-profit organizations and corporations and promoting provincial appointment opportunities.

The target has also been promoted with Ontario's leaders:

- ✓ **Informing Ministers of the 40 per cent target:** The Minister of the Status of Women sent a letter to her Cabinet colleagues providing them with a strong business case to promote women on boards, and informing them of the government target.

What's Next and Where We are Going

The Public Appointments Secretariat will continue to:

- **Track and analyze** gender-based data of agencies to monitor progress.
- **Conduct analysis and evaluate** board appointment status on a ministry-by-ministry basis and focus on ministries with agencies at risk of missing targets.
- **Suggest approaches to help agencies** reach targets and monitor improvements.
- **Develop and share materials to raise awareness** of the 40 per cent target in training, ministry-wide events, and other venues.
- **Leverage outreach opportunities and informal networking** by marketing provincial appointment opportunities to external organizations.
- **Develop Ontario's new public appointments system** to facilitate broader dissemination of vacancy postings, identify pools of qualified women applicants, and support ministries to draft more inclusive advertisements.

Moving forward, there are two other key areas of work that the Women in Business Steering Committee had recommended the Ontario government explore. We will be working together with other ministries to ensure that options we develop reinforce and complement other government initiatives that support women in the workplace.

- **Promote women on broader public sector boards**, encouraging hospitals, universities, cultural agencies, and others to increase the number of women on their boards. We need to encourage them to become leaders in gender equality in the workplace and to be partners in changing the future of this province.

We know that hospitals and universities are leading the way in promoting women on boards in the broader public sector. In 2016, 40 per cent of hospital board directors in Ontario were women, averaged across all hospitals surveyed – this is a 3.2 per cent increase from 2010.⁴ In 2017, approximately 40 per cent of university board directors in Ontario were women, averaged across all institutions surveyed.⁵

- **Explore opportunities to use government procurement** to promote women on boards and in executive officer positions.

Action 2: Strengthening Transparency of Gender-Based Data

Improve Tracking

Starting in 2018, Ontario will publish annual gender-based appointment updates to measure progress on the 40 per cent target for provincial boards and agencies. The CSA will continue to publish progress on the 30 per cent target for TSX-listed issuers. This will help raise awareness of public and private-sector movement towards gender parity.

Progress to Date

- ✓ **The Ministry of Finance is working with the OSC** to ensure that progress among TSX-listed issuers continues to be tracked and published.

In December 2014, the OSC amended disclosure rules regarding the representation of women on boards and in executive officer positions. Since 2015, the OSC has been annually reporting on the progress made across TSX-listed issuers. As noted earlier, the recent results show slow progress: the overall percentage of board seats occupied by women has only increased by 3 per cent since 2015.

- ✓ **The Public Appointments Secretariat has been tracking and analyzing** gender-based data of provincial boards and agencies to monitor progress.

What's Next and Where We are Going

- **Continue to track and analyze** gender-based data of boards and agencies and monitor progress.
- **Conduct strategic outreach to networks and organizations** working to increase gender diversity on boards, and profile the 40 per cent target in recruitment ads, social media, appointee training, and enterprise presentations.

⁴ Ontario Hospital Association, November 2017.

⁵ Council of Ontario Universities, November 2017.

- Explore options to collect gender-based data for private businesses, not only issuers listed on the TSX.

Action 3: Working in Partnership with Business

Improve Tracking

The Ministry of Finance is working with the OSC to ensure that progress among TSX-listed issuers continues to be tracked and published.

Steady progress has been made since the implementation of the “comply or explain” requirements by Canadian securities regulators. However, more work remains to be done, particularly with respect to smaller issuers and issuers in lagging industries.

Progress to Date

- ✓ **Working with the Women in Business Steering Committee:** This implementation plan reflects the input and advice of Steering Committee members.

Some industries that the Steering Committee members represent have been leading the way in the representation of women on boards, such as the financial services industry.

Steering Committee members recognized a need for an organization to build bridges between private sector efforts to advance women in leadership. Shortly thereafter, the Canadian Gender and Good Governance Alliance (CGGGA) was formed.⁶
- ✓ **Partnership with the CGGGA:** The Ontario government has also been working closely with the recently-announced CGGGA to promote women on private-sector boards.

The CGGGA is a partnership of leading not-for-profit organizations focused on research, advocacy and education to increase gender parity and diversity on boards and in executive positions. The CGGGA has a great deal of influence across the private sector, with members totaling in the thousands.
- ✓ **Encouraging businesses to adopt best practices in the CGGGA Directors’ Playbook:** The CGGGA recently released a *Directors’ Playbook* that provides powerful, yet practical tools organizations can use to advance gender balance on boards through deliberate action.

⁶ Participant organizations include 30% Club Canada, Catalyst, Clarkson Centre for Business Ethics and Board Effectiveness, Business Council of Canada, Institute of Corporate Directors, Canadian Coalition of Good Governance, and Women in Capital Markets. The Ontario Securities Commission and the Ontario government are affiliate members.

These include gender diversity policies, board evaluation processes, term limits, board competency matrices and board member recruitment.

Corporations are encouraged to adopt the best practices, including the continued focus on setting the 30 per cent target and committing to achieving it. The *Playbook* will help inspire and enable the business community to welcome more women at board tables across the province.

- ✓ **The Ontario government endorses the CGGGA’s Directors’ Playbook** as a valuable resource for the private sector. The Ontario government commits to sharing the *Directors’ Playbook* within the Ontario Public Service as a best practice resource, as well as sharing it with stakeholder groups that may find it useful.

What’s Next and Where We are Going

- **Continue to support resources for all issuers:** Ontario stands ready and is willing to support the private sector to broaden awareness of the *Playbook* and other types of resources that are made available to businesses, particularly small and medium-sized enterprises, to help ensure that the 30 per cent representation targets are met, and possibly exceeded.
- **Continue partnership with CGGGA:** The Ontario government will be continuing to work with the CGGGA, and will seek their research and expertise in studying issues of critical concern related to promoting gender balance and broader gender diversity in the workforce, and how the Ontario government can continue to be a leader in promoting gender equality.
- **Strengthen “comply or explain” requirements:** The Ontario government, particularly the Ministry of Finance, will continue to work with the OSC as the CSA explore opportunities to enhance the “comply or explain” requirements.

At the recent OSC roundtable on the third review of women on boards and in executive officer positions, some roundtable participants suggested that the OSC should strengthen the regulation by encouraging corporations to set targets and providing them with best practice guidelines.

Conclusion – Taking Action Together

The Ontario government is fully committed to promoting women on boards and in executive officer positions in the private and public sectors.

Progress has been made, but more can be done. GET ON BOARD – Ontario’s Implementation Plan to Promote Women in Corporate Leadership proposes strong steps to help Ontario do better to achieve gender diversity on boards. It provides a roadmap and direction for the Ontario government’s work to reach the 40 per cent target for provincial agency boards, as well as to support private sector efforts to help reach the 30 per cent target.

The Ontario government is confident and optimistic that the common goal of women having equal opportunities in the workforce will be achieved if we all work together. We all have a role to play in ensuring that women are more equitably represented in leadership positions across the province and in Canada. When women succeed, we all succeed.

Appendix

External Members of the Women in Business Steering Committee

Gail Cook-Bennett, Chair, Institute of Corporate Directors

Beatrix Dart, Executive Director, Rotman Initiative for Women in Business, and Co-Chair, Canadian Gender and Good Governance Alliance

Victor Dodig, President and Chief Executive Officer, Canadian Imperial Bank of Commerce

Catharine Farrow, former Chief Executive Officer, TMAC Resources, Inc.

Maureen Jensen, Chair and Chief Executive Officer, Ontario Securities Commission

Maureen Kempston Darkes, Chair, Corporate Social Responsibility Committee, Enbridge

Richard Leblanc, Associate Professor, Law, Governance & Ethics, York University

Rima Ramchandani, Partner & Co-head of the Capital Markets Practice, Torys LLP

Constance Sugiyama, Corporate Director and President of ConMark Strategy Inc.

Barbara Stymiest, Chair, Canadian Institute for Advanced Research

Kathleen Taylor, Chair, Royal Bank of Canada

Bernadette Wightman, former President, Cisco Canada