

Canadian Securities Administrators Publish Tenth Report Regarding Women On Boards And In Executive Officer Positions



The Canadian Securities Administrators (CSA) recently published its 10th annual *Review of Disclosure Regarding Women on Boards and in Executive Officer Positions (Year 10 Report)* (the Review). The Review outlines the CSA's key findings from its review of public disclosure filings by Canadian public issuers with respect to women on boards and in executive officer positions. The CSA reviewed and summarized data from a sample of 574 issuers listed on the Toronto Stock Exchange (TSX) that were required to provide disclosure during the period covered by the Review.

Certain TSX and other non-venture issuers are required to provide disclosure annually in these five areas:

1. The number and percentage of women on the board and in executive officer roles;
2. The targets for the number or percentage of women on the board and in executive officer positions;
3. The term limits of directors and other mechanisms of board renewal;
4. Any written policies relating to identification and nomination of women directors; and
5. The consideration given by the issuer to the representation of women when identifying and nominating directors and making executive officer appointments.

Key Findings

Board Seats and Executive Officer Positions

The CSA began conducting its review of this disclosure in 2015. Since then, women have made slow but steady gains. As of this year's Review, women held 29 percent of total board seats—a two percent increase from 2023 and an 18 percent increase since 2015. As with previous years, the increases remained consistent with a two to three percent increase year over year. If trends continue, we expect that board seats would reach 50 percent parity sometime around 2034.

As of 2024, 90 percent of the entities sampled in the Review had at least one woman on their board and 42 percent had three or more. Of the sampled entities, eight percent had women as the chair of the board, an increase from five percent in 2019.

As outlined in the Review, there were increases in their percentage of board seats occupied by women this year. Entities with higher market caps continued to have more board seats occupied by women than those with smaller market caps. For entities with market caps over \$10 billion, women occupied 36 percent of the aggregate board seats. In contrast, women occupied only 23 percent of board seats for entities with market caps of less than \$1 billion. The difference was most notable for entities with market caps over \$1 billion, as \$1-2 billion market cap entities had 31 percent women on their boards and \$2-10 billion market cap entities had 35 percent.

The number of women occupying executive officer positions had similarly increased. 72 percent of entities sampled had at least one woman in an executive officer position. However, five percent had a woman as Chief Executive Officer (there was no significant change from the 2018 review, being the first year such statistics were collected). 19 percent of entities had a woman as Chief Financial Officer, two percent higher than in 2018 but a decline from a high of 19 percent in 2022.

Policies, Targets and Term Limits

64 percent of the entities sampled had adopted a written policy relating to the representation of women on their boards (a 49 percent increase from 2015 levels but identical to 2023), while 44 percent had set targets regarding the same (a 37 percent increase since 2015).

Entities with set targets and a written policy tended to have a more significant proportion of board seats held by women. In particular, women held an average of 35 percent of the board seats of entities that adopted set board targets, compared to 22 percent for those that did not. Similarly, entities that adopted a written policy had an average of 33 percent women on their boards, compared to 20 percent for those with no policy.

Seven percent of entities had adopted targets for women in executive officer positions (a slight increase from two percent in 2015).

Term limits continued to impact the representation of women on boards. Entities that had adopted term limits had an average of 35 percent women on their boards, compared to 26 percent for those without. Increasing the supply of available board positions appeared to provide increases in appointing women to boards. 581 board seats were vacated this year, with 438 being filled. Of those, 37 percent (160 seats) were filled by women.

Industry Breakdown

The utilities, manufacturing and real estate industries had the highest percentage of entities sampled with at least one woman on their boards. In contrast, the mining, oil and gas and biotechnology industries were among the lowest. Still, the percentage of both mining and oil and gas entities with one or more women on their boards had more than doubled since the Year 1 review, from 40 percent in 2015 to 91 percent in 2024. The mining sector had also experienced significant improvement—87 percent of mining entities had one or more women on their boards, an increase of 52 percent from the low of 35 percent in 2015.

The number of women in executive officer positions also varied by industry. The manufacturing, retail, real estate and utilities industries had the highest percentage of entities with one or more women in executive officer positions. The mining, oil and gas, technology and biotechnology industries were among the lowest percentage of entities, with one or more women in executive officer positions. The mining industry ranked the lowest among entities with one or more women in executive

officer positions, with a modest increase of 4 percent from 2015 to 2024 (52 percent to 56 percent).

Guidance on Disclosure Practices

The CSA has noted that a recurring theme regarding disclosure practices remains how each entity's disclosure differs in response to the disclosure requirements. As a result, the format and content of disclosure documents remain inconsistent among entities. The CSA recommends presenting data related to disclosure requirements in a common tabular format so that disclosure can be more easily identified and compared by investors.

Moving into the Future

The CSA expects this will be the final year it conducts a review of this disclosure, as it is exploring potential changes to diversity-related disclosure requirements, as outlined in its [notice](#) and request for comment dated April 13, 2023 regarding proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* of NI 58-101 and proposed changes to National Policy 58-201 *Corporate Governance Guidelines*. The CSA continues its work to harmonize national disclosure frameworks.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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