



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-02820**

BY: **MRS. NASSIF (VIMY)**

DATE: **OCTOBER 24, 2018**

PRINT NAME OF SIGNATORY: **SIGNED BY THE HONOURABLE NAVDEEP BAINS**

Response by the Minister of Innovation, Science and Economic Development

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Women's rights

ORIGINAL TEXT

REPLY

Increasing women's representation on boards is not just the right thing to do; it is the smart thing to do. A growing body of research shows that businesses with one or more women on their corporate boards deliver higher average returns on equity and better average growth. The Government is committed to engaging the private sector to eliminate barriers facing women in the workplace.

The Government is leading by example through a new approach to Governor in Council appointments. This open, transparent and merit-based selection process has already resulted in more than sixty percent of the appointments being women. Legislation has also been introduced to support women and diversity on corporate boards and in senior management.

Bill C-25 received royal assent on May 1, 2018. Once regulations are in force, the amendments to the *Canada Business Corporations Act* will require federally incorporated, publicly-traded companies to provide information about diversity among directors and members of senior management to shareholders.

The companies in question will be required to disclose figures on diversity among their boards of directors and senior management. They will also disclose the nature of their policies to encourage diversity. If they have no such policy, they would have to explain to their shareholders. This is known as a “comply or explain” model.

Corporations across Canada come in many shapes and sizes, operating in different markets with different characteristics and parameters. A one-size-fits-all approach in this landscape risks harming the very conditions for innovation that the Government is hoping to set with these updates.

The Government knows that progress can take time, but will be pushing corporate Canada to rise to the challenge, as increased diversity makes good business sense.

Bill C-25 is intended to facilitate a conversation between corporations and those to whom they are directly accountable – their shareholders. The Government has faith in the business sector to show creativity and leadership on this issue.

The bill is but one measure in the Government’s overall approach to the question of gender equality in the economy and leadership positions, which includes:

- the Women Entrepreneurship Strategy, in which nearly \$2 billion will be invested to help women grow their businesses;
- funding set aside by the Business Development Bank of Canada for majority women-owned firms;
- a new annual award for corporations promoting women in leadership;
- updates to the process for Governor in Council and federal judicial appointments;
- the creation of the Public Service Centre on Diversity, Inclusion and Wellness;
- the *Pay Equity Act* and the Department for Women and Gender Equality proposed in the most recent phase of Budget implementation legislation; and
- Canada’s first gender-balanced Cabinet.

The Government will follow the progress of diversity on boards and in senior management. If progress is slow, it will consider stronger measures.