Innovation, Science and Economic Development Canada
Innovation, Sciences et Développement économique Canada
Canada

The 50 – 30 Challenge

Your Diversity Advantage



Purpose

The 50/30 Challenge is an initiative co-created by the Government of Canada, civil society and the private sector that aims to attain gender parity and significant representation (at least 30%) of under-represented groups on boards and senior management positions in order to build a more diverse, inclusive, and vibrant economic future for Canadians. The challenge will allow for the participation of a variety of organizations including small and medium enterprises (SMEs) and non-profit organizations, including those without Boards of Directors or senior management teams.

Intro

Canada's greatest resource is its people.Their ideas and inspirations will guide the future success of Canadian businesses and Canada's economy. In order to stay ahead of the curve, businesses must anticipate the needs and wants of Canada's diverse population. Businesses have adapted by evolving their existing practices and policies, implementing new ideas, taking risks and embracing innovation. Canadian businesses must have the diverse people and voices at the table that embody and represent the Canadian people.

Ongoing research and data shows us just how much this is true. Studies have demonstrated that companies with more diverse leadership teams are more likely to outperform those with less diverse teams on profitability, increased revenue and improved workplace productivity. A diverse and inclusive workforce is not only fair and just but it is also makes for good economics.

Yet, the reality is that women, racialized persons, those who identify as LGBTQ2, Indigenous persons, and people living with disabilities are under-represented in positions of economic influence and leadership, including on corporate boards and in senior management.

By removing systemic barriers that create inequity, it will be possible to achieve the full economic benefits possible in the Canadian economy.

Now, more than ever, Canada needs to think of what, or, more so, who, makes Canada great? What is it about the Canadian character and spirit that makes us so resilient, innovative, creative and ambitious? Canada has long taken pride in being a country made up of a cultural mosaic – and that by embracing our diversity we are more whole and become stronger.

That is why the Government of Canada will be launching the 50 – 30 Challenge, a bottom-up approach co-created with the private-sector to further advance inclusion, diversity and economic prosperity from coast to coast to coast.

The 50 – 30 Challenge

The ripple effect: a diverse corporate board and senior management has been shown to encourage and motivate employees, particularly drawing out the innovations and ideas of diverse employees, while at the same time highlighting to all Canadians the value and importance of diversity more broadly, and that all Canadians are encouraged and welcome to have a seat at the table.

The 50 – 30 Challenge will be a bottom-up, co-created and nationally recognized initiative. Participating companies and not-for-profits will agree to voluntarily take action towards achieving meaningful and substantive improvements in supporting diversity and inclusion within their organization. This commitment will recognize existing and ongoing efforts, and allow for tailoring to the unique position of each organization, as well as the important work that is already underway through initiatives such as Black North and the 30% Club.

Building on these efforts and celebrating the many ways organizations will build in diversity into their leadership, procurement practices, and hiring, the challenge will ask organizations to make two aspirational commitments.

The challenge is rooted in two aspirations - gender parity and significant representation of under-represented groups:

- Gender parity ("50%") on Board(s) and senior management, and;
- Significant representation ("30%") on Board(s) and senior management of other under-represented groups, including racialized persons, people living with disabilities and members of the LGBTQ2 community. Participants will also be invited to recognize First Nations, Inuit and Métis peoples' as founding peoples of Canada and under-represented in positions of economic influence and leadership.

Achieving this aspiration may look different and will be accomplished in unique ways that correspond to the size, sector and structure of each organization. Given these significant variations, there is not a specific timeframe to achieve these goals, as each organization will develop its own pathways and approaches. Organizations will be expected to put plans in place towards achieving these targets and to report on incremental progress.

Benefits

The Challenge offers corporate leaders the opportunity to partner with the Government of Canada to shape and co-develop this initiative.

Working with you, we aim to develop an exciting and inspiring program. While we are eager to hear your ideas, we anticipate that the challenge may include

- The creation of a Diversity Honour Roll;
- Events where partners come together to recognize corporate leaders who have championed diversity and inclusion by putting into practice in their own organizations;
- An annual event where partners, ministers, and Canada's leaders across sectors have an opportunity to celebrate achievements in diversity and inclusion and

- Participation in a community of like-minded private and public sector leaders who have taken the challenge and can help drive and support new and innovative approaches to furthering inclusion and diversity.

As a Corporate Diversity Honour Roll Member, you would have access to:

- Supportive resources, as well as connection with partners who specialize in the recruitment of diverse employees;
- Promotion, marketing, and official achievement recognitions;
- Social media promotion, and inclusion on our official website with supporting materials and company profiles;
- Preferential access to government programs, funding and supports; and
- Envision the establishment of a permanent secretariat to promote the brand and find opportunities for collaboration.

Challenge a new community

The Challenge is an opportunity to champion an important and growing effort in the Canadian business world.

A central feature of the Challenge is the collaborative, bottom-up, co-creation with businesses and diversity organizations who have demonstrated through concrete actions a commitment to advance diversity, equity and inclusion in organizations, senior management ranks, and corporate boards. Moreover, a diverse corporate board and senior management can not only advance diversity in terms of employees, but also through business lines such as procurement and purchasing, further enhancing inclusion and diversity in Canada.

To support the Challenge and drive broad participation, the government will be developing programming and resources to assist companies and not-for-profits in determining their best pathway forward in meeting their goals, as well as incentives in program criteria.

The Challenge acknowledges that each organization is different and has unique needs. Canada is fortunate to have many small and medium size enterprises, a strong post-secondary sector, as well as a strong not-for-profit and charity sector. While not every organization may have a Board of Directors or senior management team, many are eager to take action to enhance diversity and inclusion across their organization.

To reflect these differences and offer tailored pathways to success, the Challenge will offer three distinct streams for participation. This will allow participating groups to strive to achieve their 50-30 goals in a way that best suits their organization and reflects their unique needs.
The Challenge will be structured across the following three streams:

- Large Corporations
- SMEs
- Post-secondary institutions, not-for-profits and charities

The Challenge will use differentiated approaches to measure progress and success for SMEs and large firms, recognizing the unique needs of various sectors, company sizes and business types, as well as offer a range of supports for the specific needs of SMEs. It will also recognize that for public sector organizations there is currently a fair amount of work underway, such as critical diversity-enhancing work in the not-for-profit and post-secondary sectors, amongst others.

In addition to co-creating the Challenge, we encourage you to consider signing up as an early Challenge adopter (see draft Challenge page 4), to showcase the great work you have done and share your leadership in this area with others.

Early partners adopting the Challenge will be able to contribute in shaping the Challenge and provide input on government incentives, and be an example to other Canadian businesses and demonstrate their leadership nationally through a broad media plan. The plan will highlight existing leading work on diversity and inclusion, and early partners will be invited to attend a high-profile launch announcement, and additional national exposure through marketing efforts.

Draft: The 50 – 30 Challenge

We commit to the 50 – 30 Challenge, and will work to increase the representation and inclusion of diverse groups in our organization, while emphasizing the importance of diversity in the workplace.

Diversity fosters fresh insights, new ideas and creative solutions, while reflecting the diverse make-up of Canada's population.

We agree to work toward achieving two aspirational commitments over time:

- Gender parity ("50%") on our Board(s) and senior management, and;
- Significant representation ("30%") on our Board(s) and senior management of other diverse groups including racialized persons, people living with disabilities, and members of the LGBTQ2 community. This includes a recognition that First Nations, Inuit and Métis peoples' as founding peoples of Canada and under-represented in positions of economic influence and leadership.

We acknowledge that achieving this aspiration may look different and will be accomplished in unique ways that correspond to the size, sector and structure of each organization. Given these significant variations, there is not a specific timeframe to achieve these goals, as each organization will develop its own pathways and approaches. Organizations will be expected to put in place plans towards achieving these targets and to report on incremental progress.

The Challenge criteria is outlined below

Boards of Directors

Organizations participating in the 50-30 Challenge that have corporate boards within Canada commit to increasing board diversity, including establishing targets to achieve the 50-30 representation of women and under-represented groups.

We will also consider and implement governance practices that have been shown effective in fostering board diversity including limiting director terms to create new opportunities for women and under-represented groups.

Senior Management

To achieve senior leadership diversity, we commit to establishing targets to achieve the 50-30 representation of women and underrepresented groups for our senior management, including considering a wide range of measures and adopting those that can advance diversity and foster inclusion in our organization based on our unique characteristics, such as:

1. Considering and choosing relevant policies and **programs that support individual employees' abilities to reach their full potentia**l and become champions of D&I. These policies and programs may range widely from targeted mentoring and sponsorship to work/life accommodations, accessibility supports, employee resource groups, D&I education and training.

2. Committing to understanding and implementing **effective talent management approaches** that strive for bias free-decisions across the employee life cycle - including recruiting, learning and development, talent identification, promotion, and succession planning.

3. Exploring and, where possible, leveraging our ability to **be an ambassador for D&I in our communities at large**, using a variety of means, such as working with our suppliers to foster diversity, supporting D&I efforts in our local communities and nationally, adopting a D&I lens in our marketing and communications efforts, and sharing our best practices.

To achieve this, we commit to considering and adopting measures to advance diversity in our organization, such as:

- Establishing targets to achieve the 50 – 30 representation of women and under-represented groups in our Boards and senior management;
- Adopting policies aimed at fostering greater diversity in the ranks of our Boards and senior management;
- Establishing programs aimed at supporting and promoting diversity across the organization through recruiting, promotion and other measures;
- Using all our tools as an organization, including procurement and work with our suppliers, to foster a commitment to supporting and valuing diversity;
- Fostering diversity throughout the organization through education and engagement with women and under-represented groups;
- Developing mentorship and training programs for women and under-represented groups;
- Limiting director terms to create new opportunities for women and under-represented groups to participate in board renewals; and
- Developing transparent hiring processes to reduce bias and increase the representation of women and other under-represented groups in Board and senior management selection processes.

Our commitment will be driven by a plan with actions designed to achieve the 50 – 30 goals and report on our incremental progress on an annual basis.

We understand that the Government of Canada will be providing supports to participating businesses to help them achieve their targets and, together with the 50 – 30 community, we look forward to reimagining and working together towards building a better future.