

**Internet Appendices C and D for
The Impact of a Principles-Based Approach to
Director Gender Diversity**

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Abstract

These Internet appendices contain supplementary analysis and material for our study titled *The Impact of a Principles-Based Approach to Director Gender Diversity*.

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Appendix C – Examples of Diversity Policies from Proxy Circulars

In this appendix, we provide excerpts of proxy statements to demonstrate our categorization of firms as Explainers, Partial Compliers, and Full Compliers.

Exhibit C.1: Example of “Explainer” – Birchcliff Energy Excerpt from 2015 Proxy Circular

“The Board has not adopted a written policy relating to the identification and nomination of women directors. The directors of the Corporation have a fiduciary duty to act in the best interests of the Corporation. As part of that duty, the Board believes that it should be able to select and nominate for election or appointment as directors those individuals who will best serve the interests of the Corporation, regardless of gender. The Board believes that implementing such a policy will potentially restrict the Board’s ability to select those individuals that will best serve the interests of the Corporation....”

“...The Corporation has not adopted specific targets for gender or other dimensions of diversity at the Board or executive officer level due to the relatively small size of these groups. In addition, the Corporation believes that it is important that each appointment to the Board and at the executive officer level be made, and be perceived as being made, based on the merits of the individual and the needs of the Corporation at the relevant time. If specific targets were adopted based on specific criteria, including gender, this could limit the Corporation’s ability to ensure that the overall composition of the Board and its team of executive officers meets the needs of the Corporation.

“As at the date hereof, the number of women on the Board is zero and the number of women in executive officer positions is zero...”²

Exhibit C.2: Example of “Explainer” – Fortuna Silver Mines Excerpt from 2016 Proxy Circular

“The Board adopted in early 2015 a Diversity Policy which promotes diversity in the workplace by respecting and appreciating differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief or disability. At Fortuna, we respect and value the perspectives, experiences, cultures and essential differences that our Board, management and employees possess... The Company does not support the adoption of quotas to support its Diversity Policy and therefore does not generally consider the level of representation of women on the Board.... For the same reason, the Company has not adopted a target number or percentage of women for representation on the Board.... The Board and management, however, actively consider all qualified female and diverse candidates in the selection criteria for all positions throughout the Company. The Company does not currently have any directors or executive officers who are women.”

Exhibit C.3: Example of “Partial Complier” – The Northwest Co. Excerpt from 2017 Proxy Circular

“While neither a written policy nor targets relating to the identification of women and nomination of women directors have been adopted to date, the Board has emphasized its commitment to the recruitment of women in recent years by making the identification of candidates who are women a key search criterion in the director selection and nomination process it has undertaken. Currently, as to gender, the Board is comprised of three female directors (27%) and eight (73%) male directors...”

² Proxy circulars are obtained from <https://www.sedar.com/>.

Exhibit C.4: Example of “Explainer” to “Full Complier” – Osisko Mining Excerpts from 2017 and 2018 Proxy Circulars

2017 Circular – “Explainer”:

“While the Board and the CG&N Committee recognize the potential benefits from new perspectives that could manifest through greater gender diversity and recognizes that diversity can enhance culture and create value for the Corporation and its stakeholders, the Corporation has not formally adopted a written diversity policy and, given the size and stage of development of the Corporation, the Board and the CG&N Committee do not at this time formally consider the level of representation of women on the board or in senior management when identifying candidates for such positions.”

2018 Circular – “Full Complier”:

“On November 9, 2018, the Board adopted a Diversity Policy (the “Diversity Policy”). The purpose of the Diversity Policy is to communicate the importance that the Corporation places on the diversity of its Board.

“The Corporation has set an objective of reaching 40% representation of women on the Board by December 31, 2021. In this regard, the CG&N Committee is guided by the following principals:

- maintain an evergreen list of potential candidates for election to the Board of Directors which list includes parity between men and women candidates; this list shall take into account that qualified candidates may be found in a broad array of organizations;*
- periodically assess the effectiveness of the nomination process at achieving the Corporation’s diversity objectives outlined in this Policy; and*
- in order to support the specific objective of gender diversity, considers the level of representation of women on the Board and ensures that women are included in the short list of candidates being considered for a Board position.*

“When identifying potential candidates for the Board of Directors, the Corporate Governance and Nominating Committee considers the selection criteria approved by the Board, as well as its analysis of the Board’s needs based on the above criteria. These selection criteria are reviewed periodically.

“The Diversity Policy will be reviewed by the CG&N Committee annually to ensure that it is effective in achieving its objectives. Any changes to the Diversity Policy as well as any changes to the diversity achievements will be reported annually in the Corporation’s management information circular.

“The Corporation currently has one female director, Amy Satov, representing 14% of all seven board members, or 20% of the five independent directors.

“The CG&N Committee and Board actively continue to recruit female representation on the Board.”

Appendix D – Additional Analysis

Figure D.1 – Diversity Sentiment Index around the OSC’s Amendment

This figure presents data on Diversity Sentiment Index for Canadian firms included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat, over the 2011-2018 period. The graph plots the Diversity Sentiment Index (see Table Dx for the definition of the index). The index is based on six common statements found in firms’ proxy statements that express support for director gender diversity and are used increasingly over time.

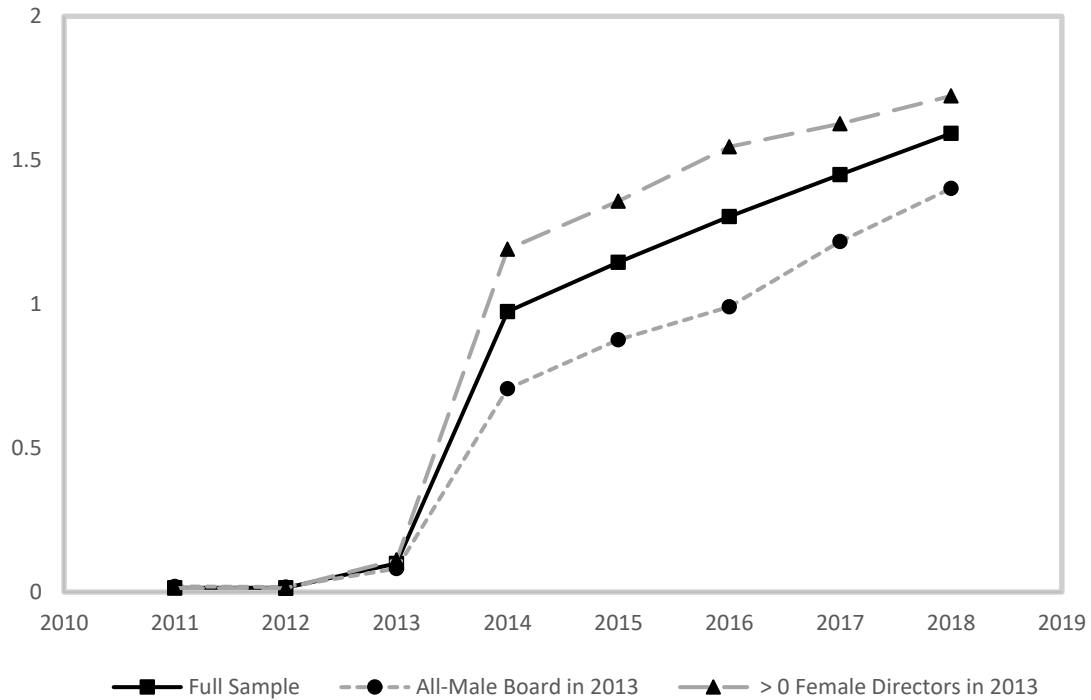
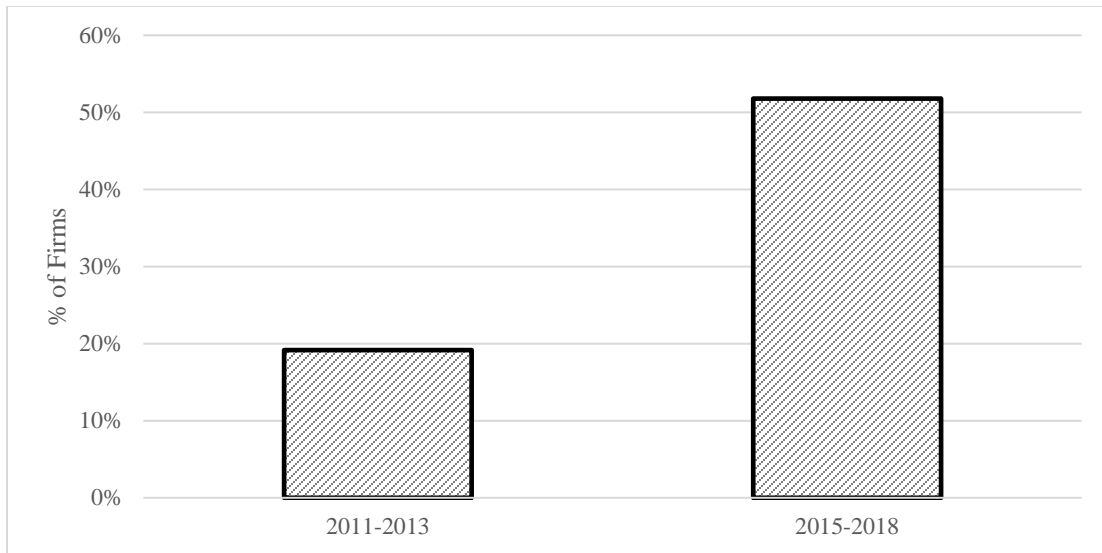


Figure D.2 – Changes in Female Directorships

This figure presents data on female directorships for Canadian firms included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. Panel A reports the fractions of firms in the sample that added female directors during the 2011-2013 and 2015-2018 periods. Panel B reports the fraction of firms that added female directors during the 2015-2018 period, for firms that had at least 1 female director in 2013 and firms that no female directors in 2013.

Panel A. Percentage of Firms Adding Female Directors



Panel B. Percentage of Firms Adding Female Directors During 2015-2018, by Presence of Female Directors in 2013

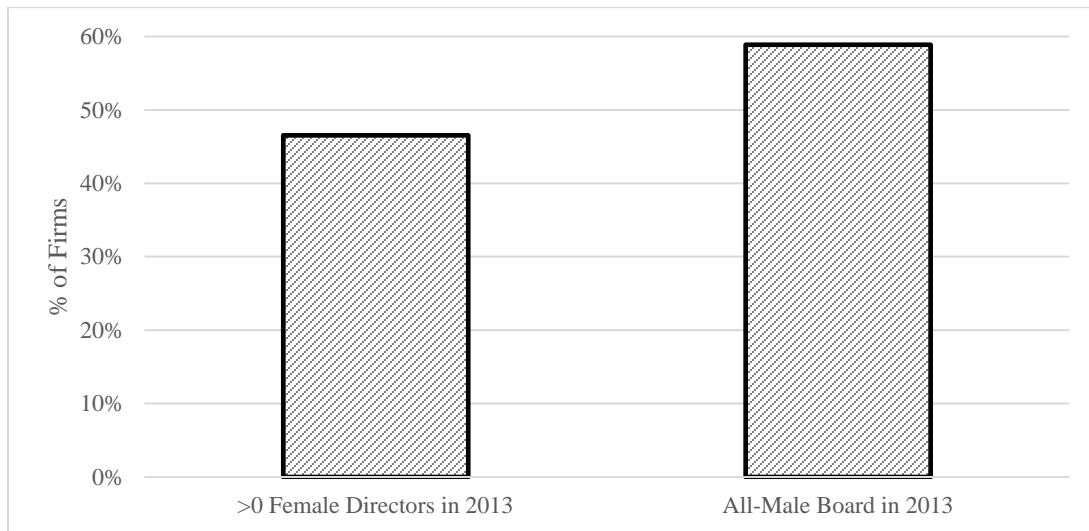


Figure D.3 – Public Attention to Gender Diversity

This figure plots the 12-months moving average of the monthly Google search volume index for the term “Gender Diversity” between January 2011 and December 2018 in Canada and in the US.

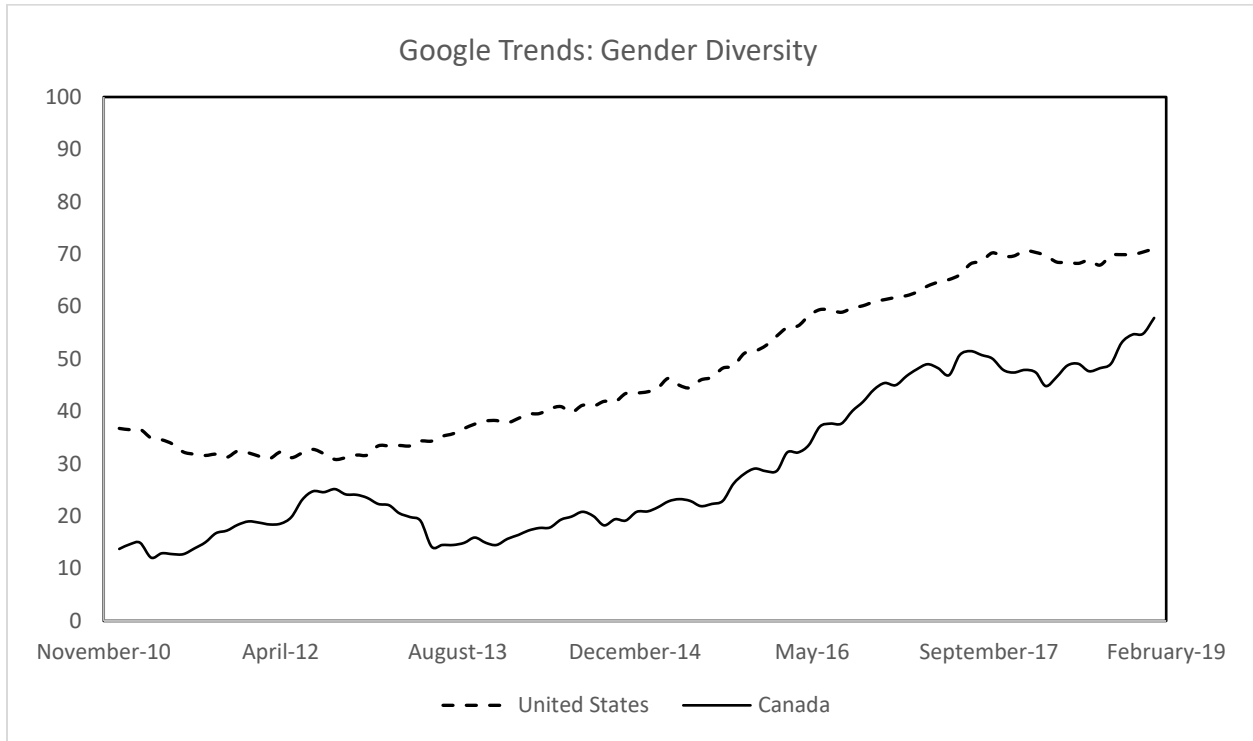
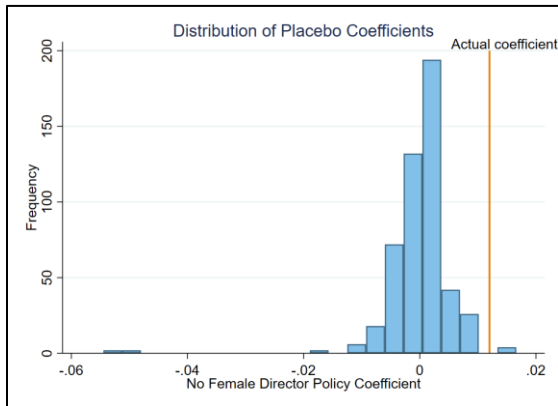


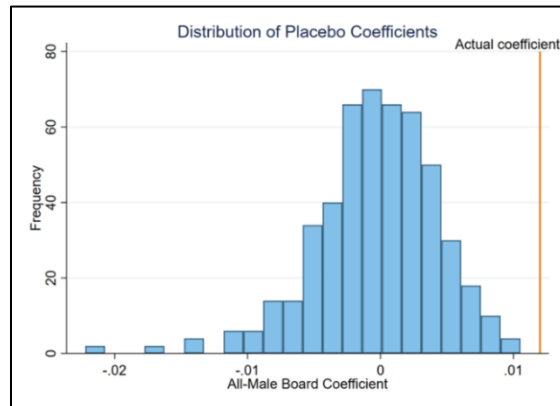
Figure D.4 – Distribution of Placebo Regression Coefficients for CARs around the OSC’s Announcement

This figure presents the distribution of placebo OLS regression coefficients examining cross-sectional differences in the cumulative abnormal returns (CARs) around July 30, 2013 – when the Ontario Securities Commission announced proposed rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The observations are at the firm-level. The dependent variable is the (0,+1) window CAR. CARs are computed using standard event study methodology with a 4-factor return model (Fama and French, 1993, Carhart, 1997) and a 250-day estimation window ending on day -30, with at least 60 observations. Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. “No Female Director Policy₂₀₁₃” (Panel A) is an indicator equal to 1 if a firm discloses that they have a policy regarding the representation of females on the board in 2013. “All-Male Board₂₀₁₃” (Panel B) is an indicator equal to 1 if a firm has no female directors in 2013. “Male Director Ratio₂₀₁₃” (Panel C) is the fraction of the board consisting of male directors in 2013. Industry fixed effects at the 1-digit SIC level are included. Each day in the period between days -300 and +300 relative to the OSC’s announcement on July 30, 2013, excluding days -50 to +50 is considered as a placebo announcement date (500 placebo dates in total). For each placebo date, we compute the CARs using the same methodology above with the same estimation window relative to the placebo date (e.g. for the placebo announcement on day -300, the estimation window used is -580 to -231). Models (1), (3) and (5) from Table 10 are then estimated with the CAR for each placebo date used as the dependent variable in place of the CAR for the actual announcement to obtain 500 placebo coefficients for each model. *t*-statistics are computed using heteroscedasticity-consistent standard errors. The actual event date coefficients are from models (1), (3) and (5) of Table 10.

Panel A. Placebo Coefficients for Firms with No Female Director Policy



Panel B. Placebo Coefficients for Firms with All-Male Boards



Panel C. Placebo Coefficients for Fraction of the Board

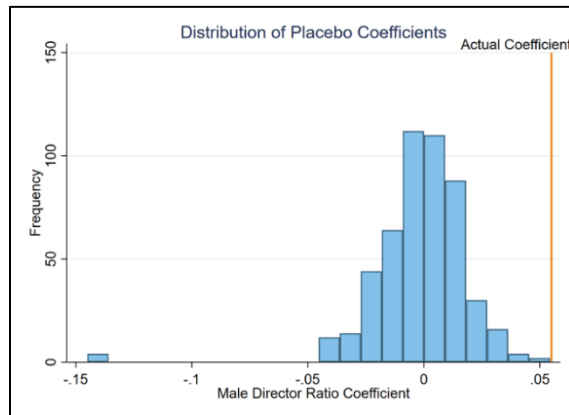


Table D.1 – Diversity Sentiment Index (2011-2018)

This table reports the components of the Diversity Sentiment Index following the OSC’s diversity regulation. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The index is based on six common statements found in firms’ proxy statements that express support for director gender diversity and are used increasingly over time. The index is the sum of the indicator variables for each of the six statements where each indicator variable equals one if the proxy statement includes the specific statement and zero otherwise. The annual mean of each indicator variable (i.e., the percent of firms indicating each statement for proxy statements issued each year) and the sum of the indicator variables (i.e., the Diversity Sentiment Index) during the period of 2011 and 2018 are reported.

Diversity Sentiment Index Statement	2011	2012	2013	2014	2015	2016	2017	2018
1. The company has an inclusive culture/ encourages diversity	0.3%	0.3%	1.1%	19.1%	20.4%	28.0%	31.7%	35.4%
2. The Corporate Governance committee considers gender diversity in board nominations	1.1%	1.1%	7.0%	32.1%	36.7%	40.3%	42.7%	43.8%
3. The Corporate Governance committee reviews the diversity policy annually	0%	0%	0.3%	22.3%	26.5%	30.5%	34.7%	38.6%
4. The Corporate Governance committee oversees/ evaluates the diversity policy	0%	0%	0%	10.5%	12.0%	12.7%	13.3%	14.3%
5. The Corporate Governance committee is committed to identifying a diverse pool	0%	0%	0.7%	5.4%	6.3%	8.7%	7.6%	9.6%
6. The search is directed to include a diverse set of candidates.	0%	0%	0.7%	7.5%	9.1%	10.9%	14.9%	17.1%
Diversity Sentiment Index	0.01	0.01	0.10	0.97	1.11	1.31	1.45	1.59

Table D.2 – Regression Analysis of Gender Diversity Policies – Firms Headquartered in Calgary

This table reports estimates examining cross-sectional differences in gender diversity policies following the implementation of the Ontario Securities Commission rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of Canadian firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat and ownership data in Factset. The sample period is 2014 to 2018. The observations are at the firm level. The dependent variable in models (1) and (2) equals one if a firm fully complies with the OSC regulation (in the board representation context being fully compliant is defined as complying with items 2, 3 and 5 of the OSC regulation); the dependent variable in model (3) equals one if a firm indicates partial compliance with the OSC regulation (partial compliance is if the firm considers gender diversity in its director nomination but does not adopt a female director target – i.e., complies with items 2 and 3 but not item 5 of the OSC regulation) In model (4), the dependent variable is whether a firm indicates that it nominates directors based solely on skill and experience. All models are linear probability models. In model (1), the sample includes all firms. In model (2), the sample is restricted to only firms that fully comply and those with partial compliance. In models (3) and (4), the sample is restricted to only firms that partially comply or explain their lack of compliance. (i.e., only firms that do not have a female director target). Year and one-digit-SIC industry fixed effects are included in all specifications. All other variables are defined in Table A.1. Standard errors are reported in parentheses and are clustered at the firm-level. ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels. This regression is identical to Table 3 identical, except that a dummy variable for firms headquartered in the city of Calgary replaces the Province Female Director Ratio

Table D.2 (continued)

Multivariate Regressions including a Control for Firms Headquartered in Calgary

<i>Dependent Variable:</i>	Full Compliance	Full Compliance	Partial Compliance	Selects Directors Based on Skills and Experience
	(1)	(2)	(3)	(4)
Calgary Firm	-0.096** (0.041)	-0.097** (0.046)	-0.185*** (0.051)	0.027 (0.067)
Interlock with Female Directors	0.044** (0.020)	0.049** (0.022)	0.015 (0.019)	-0.062*** (0.018)
Interlock with Partial Compliance	0.037 (0.087)	0.046 (0.102)	-0.104 (0.096)	
Interlock with Full Compliance	0.625*** (0.114)	0.659*** (0.116)	0.085 (0.164)	
Controlled Corporation	-0.114*** (0.042)	-0.115*** (0.044)	-0.038 (0.041)	0.020 (0.060)
Independent Board	0.018 (0.231)	0.053 (0.252)	0.175 (0.197)	0.671* (0.344)
Institutional Ownership	0.062 (0.104)	0.051 (0.121)	0.042 (0.091)	0.040 (0.140)
Media Coverage	0.063** (0.023)	0.054** (0.022)	0.013 (0.012)	0.020 (0.073)
Log(Assets)	0.040*** (0.014)	0.038** (0.015)	0.015 (0.019)	-0.023 (0.025)
Market-to-Book Assets	-0.0009 (0.0007)	-0.0009 (0.0007)	0.0003* (0.0002)	-0.0001 (0.0007)
Return-on-Assets	-0.021 (0.021)	-0.024 (0.031)	-0.005 (0.011)	0.003 (0.021)
Debt/Assets	-0.059 (0.090)	-0.108 (0.098)	0.051 (0.096)	0.192 (0.131)
Board Size	0.016* (0.009)	0.015 (0.009)	0.002 (0.009)	-0.011 (0.014)
Board Degree Centrality	-0.001 (0.009)	0.0001 (0.007)	-0.008 (0.006)	0.024*** (0.007)
Board Tenure	-0.011 (0.007)	-0.013 (0.008)	0.006 (0.008)	0.015 (0.012)
Board Age	0.001 (0.006)	-0.0003 (0.007)	0.005 (0.007)	0.010 (0.009)
Constant	-0.510 (0.533)	-0.407 (0.602)	0.324 (0.662)	-0.383 (0.832)
Year Fixed Effects	Yes	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	Yes	Yes
Observations	1276	1152	959	959
Adj. R ²	0.308	0.312	0.131	0.151

Table D.3 – Regression Analysis of Changes in Female Executive Positions

This table reports estimates from OLS regressions examining changes in female named executive officer positions for firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The sample period is 2011 to 2017. The observations are at the firm-year level. The dependent variable in Panel A is the fraction of top 5 named executive officers, listed in the proxy circular for the relevant fiscal year, who are female. The dependent variable in Panel B is an indicator for whether a firm's CEO is female. In model (1), the sample consists only of Canadian firms. In model (2), the sample consists of Canadian firms and U.S. firms that were included in the S&P 500 index at any point between 2010 and 2016. In model (3), the sample consists of Canadian firms and a matched sample of U.S. firms, each selected from within the same 1-digit SIC industry as and are closest in total assets to the corresponding Canadian firm in 2013 (only Canadian firms with a match available are included). In model (4), the sample consists of Canadian firms that are cross-listed on a U.S. stock exchange and a matched sample of U.S. firms, each selected from within the same 1-digit SIC industry as and are closest in total assets to the corresponding Canadian firm in 2013 (only Canadian firms with a match available are included). Post-2014 is an indicator equal to 1 in years 2015 onward. Year fixed effects are included in all specifications except for model (1). Firm fixed effects are included in all specifications. All other variables are defined in Table A.1. Standard errors are reported in parentheses and are clustered at the firm-level. ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

Panel A:				
<i>Dependent Variable:</i>	Female Executive Ratio			
Sample:	Canada Only	Canada & U.S. S&P 500	Canada & U.S. Matched	Canada ADR & U.S. Matched
	(1)	(2)	(3)	(4)
Post-2014	0.027*** (0.007)			
Canadian Firm × Post-2014		0.003 (0.008)	0.019* (0.011)	0.009 (0.010)
Log(Assets)	-0.008 (0.010)	0.002 (0.008)	0.018 (0.011)	-0.005 (0.004)
Market-to-Book Assets	0.004 (0.004)	-0.000 (0.003)	-0.001 (0.007)	-0.004 (0.003)
ROA	0.001 (0.003)	-0.000 (0.003)	-0.003 (0.004)	0.001 (0.002)
Debt/Assets	-0.021 (0.029)	-0.006 (0.023)	0.019 (0.016)	0.001 (0.007)
Constant	0.137* (0.080)	0.068 (0.071)	-0.083 (0.098)	0.078** (0.036)
Year FE	No	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes
Observations	1866	5478	3045	1111
Adjusted R-squared	0.026	0.022	0.023	0.030

Table D.3 – Regression Analysis of Changes in Female Executive Positions (continued)

Panel B:					
<i>Dependent Variable:</i>		Female CEO Indicator			
	Sample:	Canada Only	Canada & U.S. S&P 500	Canada & U.S. Matched	Canada ADR & U.S. Matched
		(1)	(2)	(3)	(4)
Post-2014		0.008 (0.006)			
Canadian Firm × Post-2014			-0.006 (0.008)	0.009 (0.010)	-0.009 (0.012)
Log(Assets)		-0.013* (0.007)	-0.004 (0.009)	-0.005 (0.004)	-0.005 (0.004)
Market-to-Book Assets		-0.006 (0.004)	-0.000 (0.004)	-0.004 (0.003)	-0.012 (0.011)
ROA		0.004 (0.003)	0.000 (0.003)	0.001 (0.002)	0.007 (0.010)
Debt/Assets		-0.003 (0.017)	-0.003 (0.022)	0.001 (0.007)	0.000 (0.015)
Constant		0.140** (0.058)	0.085 (0.084)	0.078** (0.036)	0.077 (0.050)
Year FE		No	Yes	Yes	Yes
Firm FE		Yes	Yes	Yes	Yes
Observations		1866	5478	3045	1111
Adjusted R-squared		0.006	0.003	0.000	0.004

Table D.4 – Engagements by 30%Club Canada

This table reports estimates of changes in gender diversity policies following the formation of the 30% Club Canada institutional investors activist group in 2017. The sample consists of Canadian firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat and ownership data in Factset. The sample in this table includes only 2017 and 2018. “CCIG Post-Engagement” is an indicator variable that equals 1 if the firm is engaged by CCIG in the previous year (i.e., in 2017). “CCIG Engagement Fixed Effect” is an indicator equal to 1 if a firm is engaged by 30% Club Canada institutional investors activist group (CCIG). The proprietary engagement data is obtained from 30% Club Canada. The dependent variable in models (1) and (3) is whether a firm includes a gender diversity target in its policy; the dependent variable in models (2) and (4) is whether a firm includes a gender diversity target that requires at least 30% female directors in its policy. All the models are linear probability models. Year and one-digit-SIC industry fixed effects are included in models (1) and (2). Year and firm fixed effects are included in models (3) and (4). All other variables are defined in Table A.1. Standard errors are reported in parentheses and are clustered at the firm-level. ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

Table D.4 (continued)

<i>Dependent Variable:</i>	Female Director Target	Female Director Target≥30%	Female Director Target	Female Director Target≥30%
	(1)	(2)	(3)	(4)
CCIG Post-Engagement	0.235* (0.125)	0.207* (0.117)	0.258** (0.109)	0.239** (0.105)
CCIG Engagement Fixed Effect	-0.209** (0.085)	-0.119** (0.059)		
Media Coverage	0.051* (0.022)	0.073*** (0.020)	-0.011 (0.021)	-0.012 (0.010)
Province Female Director Ratio	2.167*** (0.703)	1.618** (0.642)	0.489 (0.106)	0.415 (0.783)
Interlock with Female Directors	0.033* (0.019)	0.014 (0.016)	0.024 (0.025)	0.017 (0.026)
Interlock with Full Compliance	0.526*** (0.162)	0.459*** (0.145)	0.087 (0.156)	0.082 (0.147)
Controlled Corporation	-0.142** (0.058)	-0.128*** (0.049)	0.043 (0.073)	0.015 (0.052)
Independent Board	0.022 (0.374)	0.172 (0.306)	0.625 (0.435)	0.156 (0.510)
Log(Assets)	0.030* (0.019)	0.033** (0.016)	0.147 (0.141)	0.094 (0.106)
Market-to-Book Assets	-0.001* (0.001)	0.0001 (0.0005)	0.0001 (0.0002)	0.0001 (0.0001)
Return-on-Assets	0.087 (0.115)	0.020 (0.109)	-0.061 (0.134)	0.034 (0.128)
Debt/Assets	0.154 (0.116)	0.193* (0.113)	-0.162 (0.150)	-0.102 (0.142)
Board Size	0.007 (0.012)	-0.0001 (0.011)	-0.055* (0.025)	-0.036 (0.023)
Board Degree Centrality	0.005 (0.008)	-0.0005 (0.005)	-0.016 (0.019)	0.009 (0.015)
Board Tenure	-0.019* (0.011)	-0.025*** (0.008)	0.008 (0.020)	0.004 (0.0179)
Board Age	0.001 (0.008)	-0.005 (0.008)	0.008 (0.015)	0.016 (0.015)
Constant	-0.496 (0.813)	-0.192 (0.743)	-1.143 (1.785)	-1.506 (1.482)
Year Fixed Effects	Yes	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	No	No
Firm Fixed Effect	No	No	Yes	Yes
Observations	486	486	486	486
Adj. R ²	0.276	0.321	0.792	0.784

Table D.5 – Regression Analysis of CARs around the OSC’s Announcement using Sefick and Thompson (1986) Methodology

This table reports estimates examining cross-sectional differences in the cumulative abnormal returns (CARs) around July 30, 2013, when the Ontario Securities Commission announced proposed rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The observations are at the firm-level. The dependent variable is the (0,+1) window CAR. CARs are computed using following Sefcik and Thompson (1986) using a 4-factor return model (Fama and French, 1993, Carhart, 1997). Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. “No Female Director Policy₂₀₁₃” is an indicator equal to 1 if a firm does not disclose that they have a policy regarding the representation of females on the board in 2013. “All-Male Board₂₀₁₃” is an indicator equal to 1 if a firm has no female directors in 2013. “Male Director Ratio₂₀₁₃” is the fraction of the board consisting of male directors in 2013. The specifications and control variables are the same as Models (1)-(6) of Table 10. Industry fixed effects at the 1-digit SIC level are included. All variables are defined in the Table A.1. Only coefficients for our main variables of interest are reported and coefficients of control variables are omitted. ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

<i>Dependent Variable:</i>	CAR(0,+1)					
	(1)	(2)	(3)	(4)	(5)	(6)
No Female Director Policy ₂₀₁₃	0.012***	0.013***				
All-Male Board ₂₀₁₃			0.012**	0.014***		
Male Director Ratio ₂₀₁₃					0.053***	0.064***
Log(Assets) Control	Yes	Yes	Yes	Yes	Yes	Yes
Other Controls	No	Yes	No	Yes	No	Yes
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes

Table D.6 – Sample Summary Statistics

This table reports summary statistics for firm characteristics in 2013 – the fiscal year prior to the Ontario Securities Commission implemented rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. “[No] Female Director Policy in 2013” indicates firms that do [not] disclose that they have a policy regarding the representation of females on the board in 2013. “All-Male Board in 2013 [>0 Female Directors in 2013]” indicates firms that have no [>0] female directors in 2013. All other variables are defined in Table A.1. Panel A reports data for the sample split based on All-Male Board in 2013 and Panel B reports data based on whether the firm had a Female Director Policy in 2013. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels respectively in the differences in means and medians of the variables in the two groups using the t-test for means and Wilcoxon signed rank-sum test for medians.

Panel A: Summary Statistics for Firms with All-Male Boards and Boards with at Least One Female in 2013

Variable	All-Male Board in 2013 (N=127)		> 0 Female Directors in 2013 (N=147)		Difference	
	Mean	Median	Mean	Median	Mean	Median
Log(Assets)	7.037	6.927	8.613	8.254	1.567**	1.327***
Market-to-Book Assets	1.967	1.228	1.227	1.541	-0.740	0.313
Debt/Assets	0.207	0.189	0.268	0.249	0.061**	0.060**
Return-on-Assets	0.054	0.084	0.079	0.086	0.025	0.002
No Term Limit	0.815	1.000	0.730	1.000	-0.085	0.000
Female Executive Ratio	0.066	0.000	0.068	0.000	0.002	0.000
Controlled Corporation	0.163	0.000	0.314	0.000	0.151**	0.000*

Panel B: Summary Statistics for Firms without and with a Board Diversity Policy in 2013

Variable	No Female Director Policy in 2013 (N=213)		Female Director Policy in 2013 (N=61)		Difference	
	Mean	Median	Mean	Median	Mean	Median
Log(Assets)	8.097	7.900	9.126	8.948	1.029***	1.048***
Market-to-Book Assets	1.740	1.285	1.926	1.607	0.186	0.322
Debt/Assets	0.227	0.215	0.271	0.257	0.044*	0.042*
Return-on-Assets	0.073	0.091	0.077	0.083	0.004	-0.008
No Term Limit	0.857	1.000	0.654	1.000	-0.203*	-0.000*
Female Executive Ratio	0.067	0.000	0.068	0.000	0.001	0.000
Controlled Corporation	0.304	0.000	0.204	0.000	-0.100	0.000

Table D.7 – Summary Statistics for Placebo Regression Analysis of CARs around the OSC’s Announcement

This table reports summary statistics for placebo OLS regression coefficients examining cross-sectional differences in the cumulative abnormal returns (CARs) around July 30, 2013 – when the Ontario Securities Commission announced proposed rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The observations are at the firm-level. The dependent variable is the (0,+1) window CAR. CARs are computed using standard event study methodology with a 4-factor return model (Fama and French, 1993, Carhart, 1997) and a 250-day estimation window ending on day -30, with at least 60 observations. Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. “No Female Director Policy₂₀₁₃” is an indicator equal to 1 if a firm does not disclose that they have a policy regarding the representation of females on the board in 2013. “All-Male Board₂₀₁₃” is an indicator equal to 1 if a firm has no female directors in 2013. “Male Director Ratio₂₀₁₃” is the fraction of the board consisting of male directors in 2013. Industry fixed effects at the 1-digit SIC level are included. Each day in the period between days -300 and +300 relative to the OSC’s announcement on July 30, 2013, excluding days -50 to +50 is considered as a placebo announcement date (500 placebo dates in total). For each placebo date, we compute the CARs using the same methodology above with the same estimation window relative to the placebo date (e.g., for the placebo announcement on day -300, the estimation window used is -580 to -231). Models (1), (3) and (5) from Table 10 are then estimated with the CAR for each placebo date used as the dependent variable in place of the CAR for the actual announcement to obtain 500 placebo coefficients for each model. *t*-statistics are computed using heteroscedasticity-consistent standard errors. The actual event date coefficients are from models (1), (3) and (5) of Table 10. 5% sig. indicates the fraction of coefficients that are statistically significant at the 5% level. Statistical significance is evaluated using heteroscedasticity-consistent standard errors. This table adds further context to Figure 7.

Coefficient (Model)	Actual Event Date	Placebo Event Dates							
		Mean	Median	SD	5th	95th	5% sig.	>0 & 5% sig.	>Actual & 5% sig.
No Female Director Policy ₂₀₁₃ (model 1)	0.012	0.000	0.001	0.006	-0.007	0.007	6%	4%	0%
All-Male Board ₂₀₁₃ (model 3)	0.012	0.000	0.000	0.005	-0.008	0.006	5%	1%	0%
Male Director Ratio ₂₀₁₃ (model 5)	0.055	-0.001	0.000	0.020	-0.029	0.025	3%	1%	0%

Table D.8 – Analyses of CARs around Other Announcements

This table reports summary statistics for cumulative abnormal returns (CARs) around other dates related to the OSC’s regulation requiring the disclosure of policies promoting the representation of females on boards of directors. CARs are estimated using the (0,+1) window around the announcement dates. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. CARs are computed using standard event study methodology with a 4-factor return model (Fama and French, 1993, Carhart, 1997) and a 250-day estimation window ending on day -30, with at least 60 observations. Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. The event dates are as follows: April 5, 2013 – The Canadian government names a new committee to offer advice on gender diversity on Canada’s corporate boards. May 2, 2013 – The release of Ontario budget statement discussing its support for gender diversity on boards and in senior management of corporations. May 28, 2013 – The then Ontario’s Minister Responsible for Women’s Issues, Laurel Broten, provides some remarks that foreshadow the regulation. June 14, 2013 – Minister of Finance, Charles Sousa, and the then Minister Responsible for Women's Issues, Laurel Broten, request that the OSC undertake a public consultation process regarding disclosure requirements for gender diversity. January 16, 2014 – OSC releases the Proposed Amendment to Form 58-101 which now includes the addition of disclosure related to director term limits. October 15, 2014 – OSC releases the Notice of Implementation of Amendments to Form 58-101. Panel A reports the results for the entire sample. Panels B, C and D report the results for different subsamples. “[No] Female Director Policy in 2013” indicates firms that do [not] disclose that they have a policy regarding the representation of females on the board in 2013. “All-Male Board in 2013 [>0 Female Directors in 2013]” indicates firms that have no [>0] female directors in 2013. “[No] Term Limits in 2013” indicates firms that do [not] disclose that they have a policy regarding director term limits in 2013. *t*-statistics for CARs are computed following Kolari and Pynnönen (2010). ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

Event Date	Mean CAR	<i>t</i>-stat	<i>p</i>-value	Mean CAR	<i>t</i>-stat	<i>p</i>-value
Panel A: All Firms						
April 5, 2013	0.00490	1.342	0.181			
May 2, 2013	0.00377	1.053	0.293			
May 28, 2013	0.00233	0.022	0.983			
June 14, 2013	0.00475	1.407	0.161			
January 16, 2014	-0.00065	0.238	0.812			
October 15, 2014	0.01155	0.687	0.493			
Panel B: No Female Director Policy in 2013 Female Director Policy in 2013						
April 5, 2013	0.00437	1.257	0.21	0.00675	1.221	0.227
May 2, 2013	0.00488	1.395	0.164	-0.0001	-0.051	0.96
May 28, 2013	0.00213	-0.136	0.892	0.00303	0.411	0.683
June 14, 2013	0.00495	1.444	0.15	-0.0001	0.952	0.345
January 16, 2014	-0.0022	-0.118	0.906	0.00473	1.418	0.161
October 15, 2014	0.01414	0.953	0.342	0.00256	-0.047	0.963
Panel C: All-Male Board in 2013 >0 Female Directors in 2013						
April 5, 2013	0.00600	1.36	0.176	0.00395	1.025	0.307
May 2, 2013	0.00540	1.147	0.254	0.00236	0.76	0.448
May 28, 2013	0.00273	-0.219	0.827	0.00200	0.222	0.825
June 14, 2013	0.00547	1.646	0.102	0.00413	0.949	0.344
January 16, 2014	-0.00038	0.379	0.705	-0.00085	0.045	0.964
October 15, 2014	0.01976	1.544	0.125	0.00550	-0.036	0.971
Panel D: No Term Limits in 2013 Term Limits in 2013						
January 16, 2014	-0.00073	0.149	0.882	-0.00019	0.573	0.57
October 15, 2014	0.01263	1.045	0.297	0.00582	-0.446	0.658

Table D.9 – Univariate Analysis of CARs around the OSC’s Announcement and Executive Positions

This table reports summary statistics for cumulative abnormal returns (CARs) around July 30, 2013, when the Ontario Securities Commission announced proposed rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat, for which data on executives’ identities were available in SEDAR. CARs are computed using standard event study methodology with a 4-factor return model (Fama and French, 1993, Carhart, 1997) and a 250-day estimation window ending on day -30, with at least 60 observations. Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. “All-Male Top 5 Executives in 2013” [“>0 Female Top 5 Executives in 2013”] indicates firms that have no [>0] top 5 named executive officers in 2013. “Male CEO in 2013” [“Female CEO in 2013”] indicates firms that have a male [female] CEO in 2013. *t*-statistics for CARs are computed following Kolari and Pynnönen (2010).

Window	Mean CAR	<i>t</i>-stat	<i>p</i>-value
All (N=269)			
(0,0)	0.00688	1.18	0.239
(0,+1)	0.01028	0.918	0.359
(-1,+1)	0.00573	0.659	0.511
All-Male Top 5 Executives in 2013 (N=190)			
(0,0)	0.00799	1.317	0.189
(0,+1)	0.01155	0.989	0.324
(-1,+1)	0.00676	0.785	0.434
>0 Female Top 5 Executives in 2013 (N=79)			
(0,0)	0.0042	0.653	0.516
(0,+1)	0.00722	0.599	0.551
(-1,+1)	0.00323	0.267	0.79
Male CEO in 2013 (N=261)			
(0,0)	0.0071	1.267	0.206
(0,+1)	0.01024	0.918	0.359
(-1,+1)	0.00598	0.692	0.489
Female CEO in 2013 (N=8)			
(0,0)	-0.0006	-0.444	0.67
(0,+1)	0.01154	0.326	0.754
(-1,+1)	-0.00263	0.043	0.967

Table D.10 – Regression Analysis of CARs around the OSC’s Announcement and Executive Positions

This table reports estimates examining cross-sectional differences in the cumulative abnormal returns (CARs) around July 30, 2013, when the Ontario Securities Commission announced proposed rules requiring the disclosure of policies promoting the representation of females on boards of directors. The sample consists of firms that are included in S&P TSX Composite Index, with directorship data in BoardEx and financial data in Compustat. The observations are at the firm-level. The dependent variable is the (0,+1) window CAR. CARs are computed using standard event study methodology with a 4-factor return model (Fama and French, 1993, Carhart, 1997) and a 250-day estimation window ending on day -30, with at least 60 observations. Data on firms’ daily stock returns are obtained from Datastream. Data on Canadian factor returns are obtained from AQR Capital Management. “All-Male Top 5 Executives₂₀₁₃” is an indicator equal to 1 if a firm has no female top 5 named executive officers in 2013. “Male Top 5 executive Ratio₂₀₁₃” is the fraction of the top 5 named executive officers who are consisting of male directors in 2013. “Male CEO₂₀₁₃” is an indicator equal to 1 if a firm has a male CEO in 2013. Industry fixed effects at the 1-digit SIC level are included. All variables are defined in the Table A.1. Heteroscedasticity-consistent standard errors are reported in parentheses. ***, ** and * indicate statistical significance at the 1%, 5% and 10% levels.

<i>Dependent Variable:</i>	<i>CAR(0,+1)</i>					
	(1)	(2)	(3)	(4)	(5)	(6)
All-Male Top 5 Executives ₂₀₁₃	0.001 (0.004)	0.001 (0.004)				
Male Top 5 Executive Ratio ₂₀₁₃			0.008 (0.015)	0.005 (0.016)		
Male CEO ₂₀₁₃					-0.001 (0.010)	-0.005 (0.011)
Institutional Ownership		0.030 (0.019)		0.030 (0.019)		0.031 (0.019)
Media Coverage		-0.002 (0.002)		-0.002 (0.002)		-0.002 (0.002)
Log(Assets)	-0.003* (0.001)	-0.003 (0.002)	-0.003* (0.001)	-0.003 (0.002)	-0.003* (0.001)	-0.003 (0.002)
Market-to-Book Assets		-0.002 (0.004)		-0.002 (0.004)		-0.002 (0.004)
ROA		-0.015 (0.021)		-0.015 (0.021)		-0.015 (0.020)
Debt/Assets		-0.011 (0.011)		-0.011 (0.011)		-0.011 (0.011)
Constant	0.018* (0.010)	0.007 (0.015)	0.011 (0.018)	0.002 (0.022)	0.021 (0.014)	0.012 (0.017)
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes
Observations	269	263	269	263	269	263
Adjusted R-squared	0.060	0.076	0.061	0.076	0.060	0.076