

# STATE OF DIVERSITY & INCLUSION / 2019

**CVCA**  
CANADIAN VENTURE CAPITAL  
&  
PRIVATE EQUITY ASSOCIATION

**bdc\***

**Deloitte.**

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# INTRODUCTION



The Canadian Venture Capital and Private Equity Association (CVCA) and BDC Capital are pleased to present this human capital benchmark report on diversity and inclusion (D&I). The report is based on findings from a survey conducted by Deloitte and commissioned by the Canadian Venture Capital and Private Equity Association (CVCA), and BDC Capital, the *Canadian Private Equity and Venture Capital – State Of Diversity & Inclusion 2019* report provides a snapshot of the current state of diversity

and inclusion within the Canadian private equity (PE) and venture capital (VC) sectors and establishes baseline data based on CVCA membership responses to the survey to measure the sector's progress over the coming years.

This benchmarking report identifies a number of opportunities for improvement and meaningful action items that CVCA members can take to embed D&I best practices into their organizations.

“The business case is clear. Diversity and inclusion drives performance and, as an industry, we want to be at the forefront of driving this change not only in private capital but also for the broader innovation ecosystem.”

**Whitney Rockley**

Co-founder and Managing Partner of McRock Capital and Co-chair of CVCA Diversity and Inclusion committee

“At BDC, we recognize that diversity and inclusion practices are not only the right thing to do, it makes good business sense. That's why diversity and inclusion are part of our business strategy. We want our organization as well as the ones we work with, to reflect Canada's increasingly diverse workforce and business community.”

**Jérôme Nycz**

Executive Vice President, BDC Capital



# THE BUSINESS CASE



Over the last 30 years, business schools, management consulting firms, and leading corporations have clearly demonstrated that effective management of workplace D&I is linked to improvement in organizational performance, effectiveness, profitability, and revenue generation.

The evidence also indicates that diversity in a non-inclusive workplace does not lead to success. A 2013 Deloitte report highlighted that employees that felt highly included were 67% more engaged while staff with high levels of diversity and low levels of inclusion were only 20% more engaged. Firms that focus on **both** diversity and inclusion experience a lift of more than 101% in employee engagement.<sup>1</sup>

A recent Harvard Business School report demonstrated that diversity in VC firms not only spawns greater creativity from alternative viewpoints, but also improves financial performance. “Having at least one woman in a VC fund improved performance by approximately 10 percent. That is, while the median venture capital fund return is around 14 to 15 percent, funds with a female partner returned 16 to 17 percent. Moreover, having women as partners increased the percentage of successful startups supported by those firms—that either went public or sold for more than their total

capital investment—from about 28 percent to about 31 percent.”<sup>2</sup>

Finally, McKinsey has published data twice in the last six years that also links the productivity and profitability gain of diversity. According to their 2014 data “companies in the top quartile for gender diversity on their executive teams were 15 percent more likely to experience above-average profitability than companies in the fourth quartile.” According to their 2017 data set “this number rose to 21 percent and continued to be statistically significant.”<sup>3</sup>

In summary, inclusive diversity is not **only** the right thing to do, it is the **financially strategic** thing to do.

1 Source: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/human-capital/deloitte-au-hc-diversity-inclusion-soup-0513.pdf>

2 Source: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/human-capital/deloitte-au-hc-diversity-inclusion-soup-0513.pdf>

3 Source: <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>



# CVCA DIVERSITY & INCLUSION MANDATE

The CVCA is committed to improving D&I in the Canadian private capital market. The organization recognizes its influence and its responsibility to support the leadership of its members in moving the needle on D&I.

The CVCA believes that diversity refers to a range of human differences which include, but are not limited to, visible dimensions such as race, ethnicity, gender, as well as invisible dimensions such as religion, political beliefs, and sexual orientation. Diversity also recognizes human differences in personality and organizational characteristics.

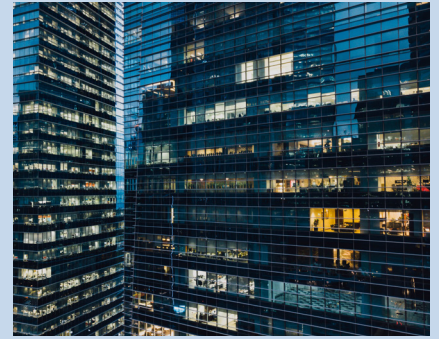
Inclusion refers to creating an environment in which people feel involved, respected, valued, and connected, and to which individuals bring their authentic selves (ideas, backgrounds, and perspectives) to their work with colleagues, entrepreneurs, investors, and the broader community.

Since 2017, under the stewardship of the CVCA Diversity and Inclusion Committee's co-chairs Whitney Rockley, co-founder and Managing Partner, McRock Capital, and Sophie Gupta, Principal, Operations, Yaletown Partners, the CVCA has been pursuing a program-level approach to improve D&I in the venture capital and private equity community to foster greater diversity of thought.

## The program includes these 6 streams:

- 1. University Reach Outs:** Over 1,000 students have attended presentations delivered by leaders in our VC and PE firms.
- 2. Best Practices for an Inclusive Workplace:** After researching options, the CVCA endorsed the ILPA Code of Conduct. The sub-committee is currently exploring tools that can make it easier for private capital organizations to facilitate employee inclusiveness. *[see sidebar]*
- 3. Human Capital Benchmark:** This report establishes a benchmark from which the CVCA can successfully measure subsequent change.
- 4. Showcasing Success:** Since 2017, the CVCA has published over 50 stories on its publication, CVCA Central, highlighting how members are successfully integrating and benefiting from D&I.
- 5. Industry Events:** The CVCA intentionally builds D&I into the design of its panels/events to ensure that they reflect the diversity in Canadian society.
- 6. D&I Resource Library:** CVCA has compiled D&I tools, mentorship programs, reports, and articles. This resource library is available in a central location on the CVCA website.

CVCA's Diversity and Inclusion mandate is to provide tools to member companies with the goal of increasing the number of women and other underrepresented groups in the private capital industry. Since early 2017, the CVCA has worked with partners on two important benchmarking reports.



## PROMOTING THE SUSTAINABILITY OF A HEALTHY, INCLUSIVE & DIVERSE CANADIAN PRIVATE CAPITAL INDUSTRY

In the fall of 2016, Manpreet Kaur attended her first CVCA event. Held in Toronto by the Young Professionals Committee (YPC), the networking event's guest speaker was Janet Bannister: a partner at Real Ventures and the founder of Kijiji Canada.

Up until then Kaur, a neuroscience graduate, had only read about the venture capital industry.

Bannister shared her story about expanding Kijiji into Canada from Silicon Valley and how she became one of few female partners at a venture capital firm.

The talk inspired Kaur to take the next steps in her career.

"It became clear to me...that there was no one path into VC, nor was there one profile that necessarily fit the bill. [I learned that] many experiences and skills could translate well into a career in VC," she says.

Today, Kaur is an investment analyst at Teralys Capital in Montreal, Que. Teralys Capital is a venture capital fund of funds with \$2B in AUM, the largest innovation-focused investor in Canada.

Kaur says she had no business being in business. After finishing her undergraduate degree at the University of Toronto, she decided she didn't want to pursue medicine or a career in academia. Instead she landed in the oil and gas industry and realized she liked working with investors.

"What I knew about private equity and venture capital was largely based on activity in the United States," says Kaur.

*Continued on page 6*

# “WHERE’S THE DIAL NOW?” REPORT

“Where’s The Dial Now?”<sup>4</sup> is a benchmark report released in 2017, that examined the current state of women in the tech and innovation community in Canada. Key findings were:

## Only 5% of Canadian tech companies

have a female founder. When companies with male and female co-founders are factored in, the percentage of tech companies founded by women increases to 13%

## Only 5% of Canadian tech companies

have a female CEO

## Women make up 13%

of the average tech company’s executive team

## 53% of tech companies

have no women executives

## On average, only 8% of directors are women,

while 73% of boards have no women at all

## Approximately 30% of Canadian venture capital firms

have a female partner

4 Co-authored by #movethedial, PwC Canada and MaRS, and powered by Ceridian, Canadian Venture Capital and Private Equity Association (CVCA), BDC Capital (BDC) and Osler, Hoskin & Harcourt LLP

*Continued from page 5*

“When I started to dig into what was happening within Canada, I came across the CVCA annual reports, which helped put things into perspective for me and understand the key players and structure of the local market.”

Last year Whitney Rockley, co-founder and partner of the venture capital firm McRock Capital, hosted a roundtable for women in Kaur’s MBA class as part of a university outreach program launched by the CVCA.

Kaur says having senior female investors in the industry is essential for early-career women:

“I really do believe that you can’t be what you can’t see.”

She also sees the value in hiring not only more women, but people from diverse backgrounds. Her parents are immigrants from India who started businesses in Quebec with very little money or knowledge of the French language.

“Growing up I never thought twice to myself that I’m a female, or I’m a visible minority. I was just me,” she says.

“By having diverse investors, that trickles down to the entrepreneur level, and gives them a foothold...It allows investors to relate to that story, I think, a little bit more.”

At another networking event, Kaur met an associate from Teralys Capital who was also a member of the CVCA Diversity and Inclusion committee. Teralys had recently reformed their recruitment process and kept the application period open until they achieved a parity of diverse and non-diverse candidates.

“Throughout the entire interview process I wasn’t made to feel as though I was a D&I candidate, and that I was just there because that representation was needed on their end, which to me personally meant a lot” says Kaur.

After 9 months at Teralys, Kaur reflects on her journey, past and to come: “I by no

means, was supposed to be here. I’m not a finance guru; I didn’t spend years in investment banking or consulting,” says Kaur.

“You definitely shouldn’t let your background deter you. There’s nothing in this world that you can’t learn or where the information isn’t accessible. If you’re willing, you’ll figure it out.”

### **Kaur has some final advice for aspiring venture capitalists:**

*Cold-calling is your best friend*

I get [a lot of] copy-pasted emails. Don’t do that. Find a point of commonality, find a reason to want to talk to this individual, and I’m more than sure you’ll get some form of response.

*Attend CVCA events*

If this is an industry that you’re interested in, the exposure...and network that you get by attending these events [is something] I don’t think you can get elsewhere.



# WOMEN IN VENTURE REPORT

With data from over 300 VC firms and corporate venture arms across Canada and the USA, this report painted a clearer picture of the state of gender. The results give institutions and individuals the information needed to understand the current status and take action. The *Canadian Private Equity and Venture Capital: State of Diversity & Inclusion 2019* report aims to extend these pioneering reports to other diverse groups not captured previously.

**11.8% of  
Managing Partners**  
at funds across Canada  
are women

**\$4.6 billion**  
invested in active Canadian  
funds with no women partners

Firms with 1 or more women partners  
raise funds that are, on average,  
**66% the size**  
of those raised  
by firms with all male partners



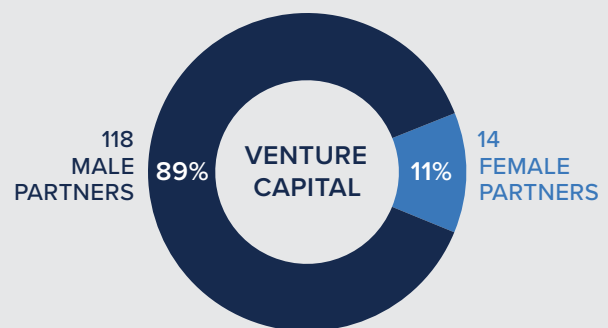
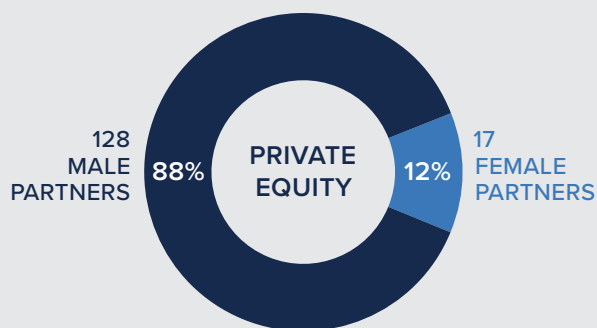
# SUMMARY OF FINDINGS FROM OUR MEMBERS

## REPRESENTATION OF WOMEN IN CANADIAN PRIVATE CAPITAL

91 member firms out of 275 participated in the survey during the period between January 10, 2019 and February 1, 2019. This included 23 out of 60 PE firms and 36 out of 84 VC firms.

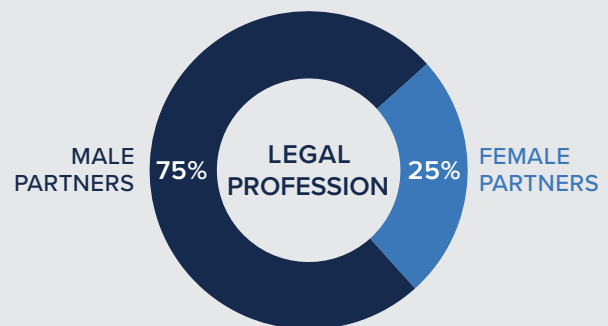
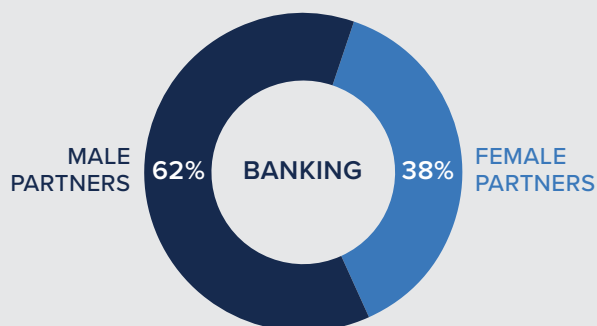
Of those that participated, 23 PE firms had 145 partners of which only 17 (12%) were female and 36 VC firms had 132 partners of which 14 (11%) were female.<sup>5</sup>

The results of this report, in addition to the data uncovered in the “Where’s the Dial Now?” and “Women in Venture” reports, clearly show the need to increase representation of women in senior ranks of private capital investment firms.



The private capital industry trails the Canadian banking and legal professions which have 38% and 25% of their management positions held by women.

### BENCHMARKS



<sup>5</sup> Source: Approximated figures based on firm websites

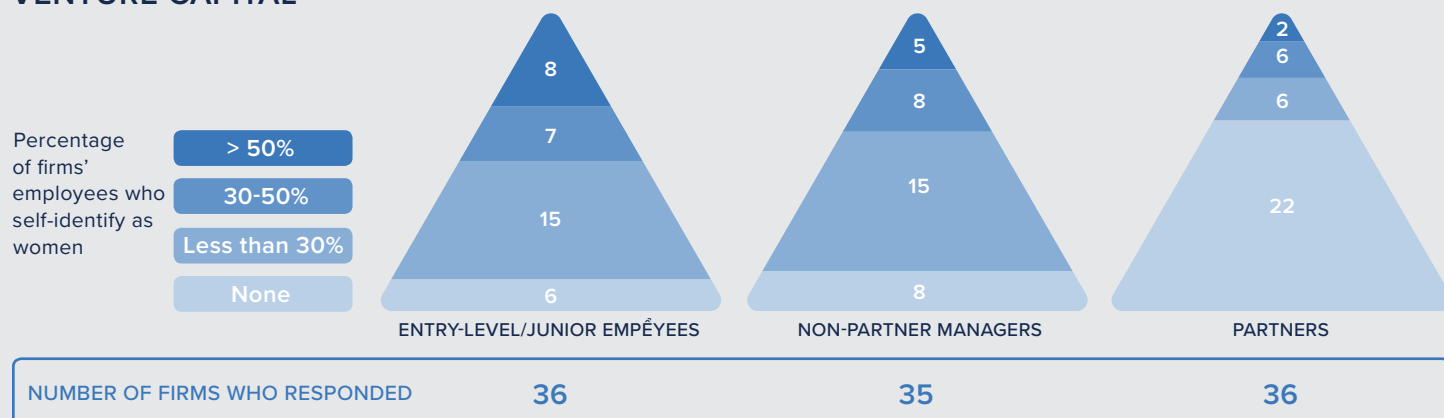




There is opportunity in the private capital industry to promote more women into partner roles because the female talent pipeline is strong, as can be seen in the below exhibits.

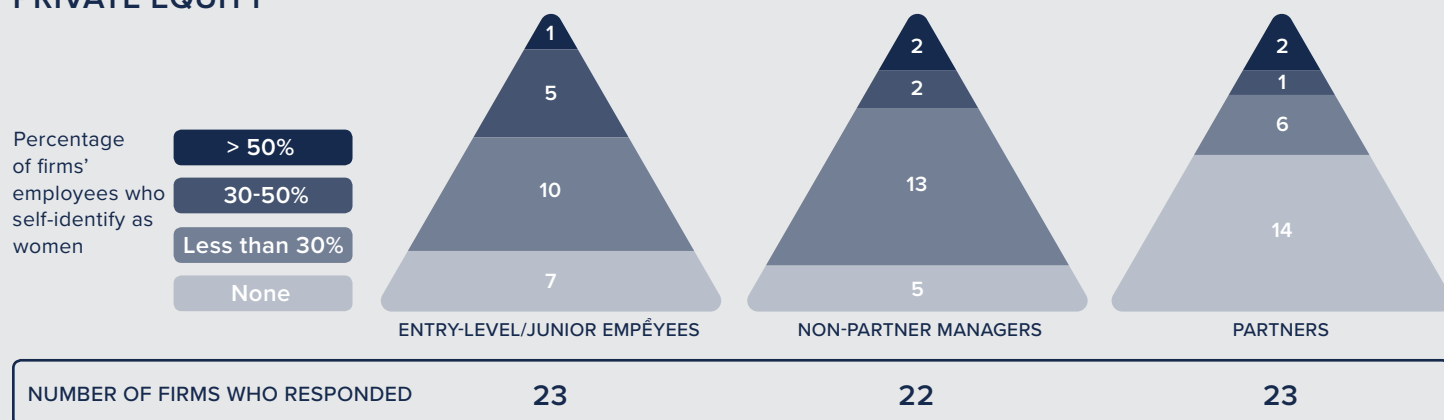
8 out of the 36 VC firms that participated have more than 50% of their entry level/junior and 5 out of the 36 have more than 50% of their non-partner managers who are women.

## VENTURE CAPITAL



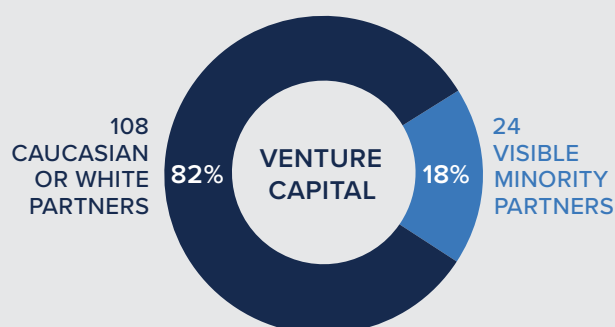
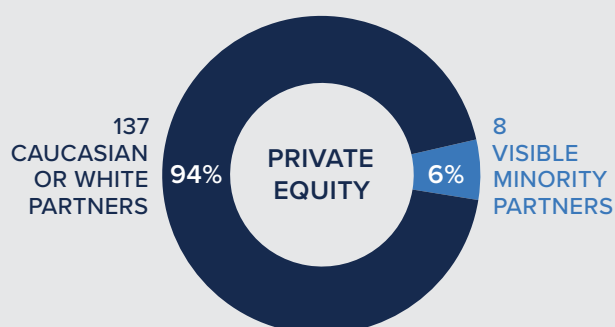
Of the 23 PE firms, 6 have more than 30% of their entry level/junior employees and 4 out of the 23 have more than 30% of their non-partner managers who are women.

## PRIVATE EQUITY



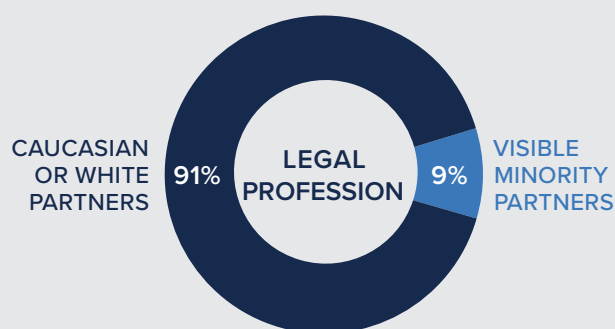
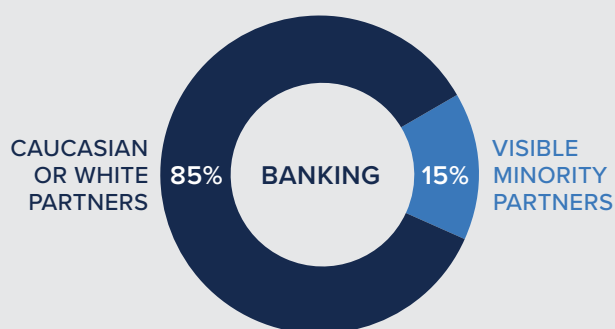
# REPRESENTATION OF VISIBLE MINORITIES IN CANADIAN PRIVATE CAPITAL

Of the 145 partners at PE firms only 8 (6%) were visible minorities. Of the 132 partners at VC firms only 24 (18%) were visible minorities.<sup>6</sup>



PE firms trails the Canadian banking and legal professions which have visible minorities holding 15% and 9% respectively of their senior management positions. However, VC firms have a higher percentage of partners who are visible minorities compared with banking and legal professions.

## BENCHMARKS



<sup>6</sup> Source: Approximated figures based on firm websites

## DIVERSITY AND INCLUSION: A MAIN PRIORITY AND A MINDSET

At Quark Venture LP, diversity and inclusion is not only a main priority; it's a mindset, according to the firm's CEO & Partner Karimah Es Sabar.

"We live it, we practice it and we have a culture of diversity and inclusion that is just there—which attracts people to us," says Es Sabar.

Research has [shown](#) that women-led

companies outperform and have a higher rate of employee engagement. Women in venture capital are also more [likely](#) to invest in female entrepreneurs.

Es Sabar believes diversity isn't just about increasing the number of women in the industry; it's about hiring people based on their skills and abilities, no matter their background. She says companies should be diligent in actively seeking out people who are the best fit, rather than filling quotas.

"You need to be open to giving opportunity to people who you're not typically hiring," she says.

Es Sabar has spent the last 30 years building diverse teams at companies like Sanofi Pasteur, previously Pasteur Merieux Connaught, and the Centre for Drug and Research Development before becoming CEO and a partner at Quark Venture. While more than half of Quark Venture's employees are women, they are also culturally diverse. More than 50 per cent are visible minorities.

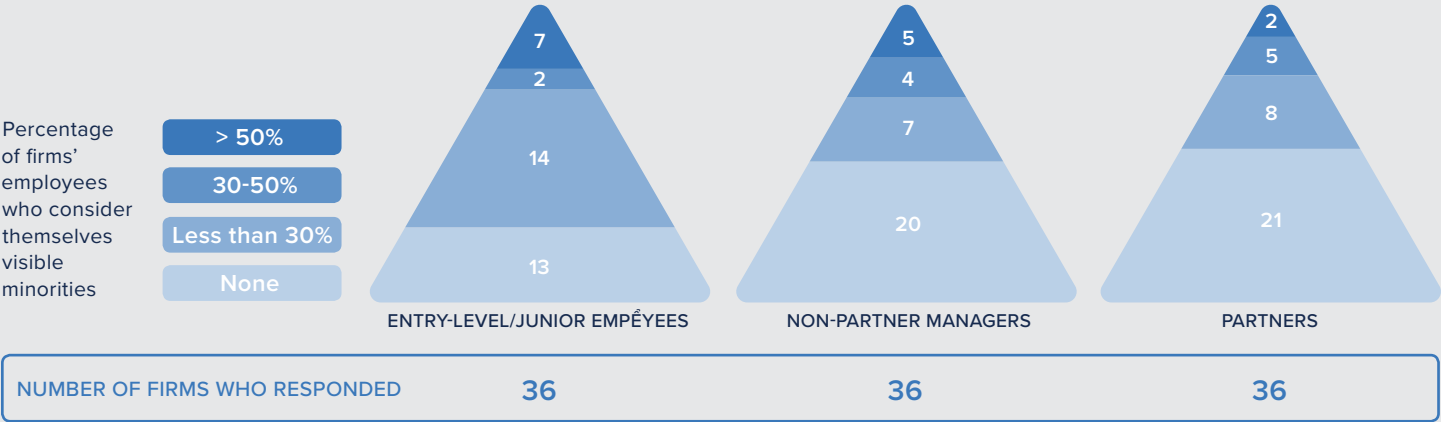
The Vancouver-based firm invests exclusively in health technology and has offices in Boston, Berkeley, Hong Kong and Chengdu, China. Es Sabar says innovation is about challenging the status quo and requires diverse thoughts and perspectives.

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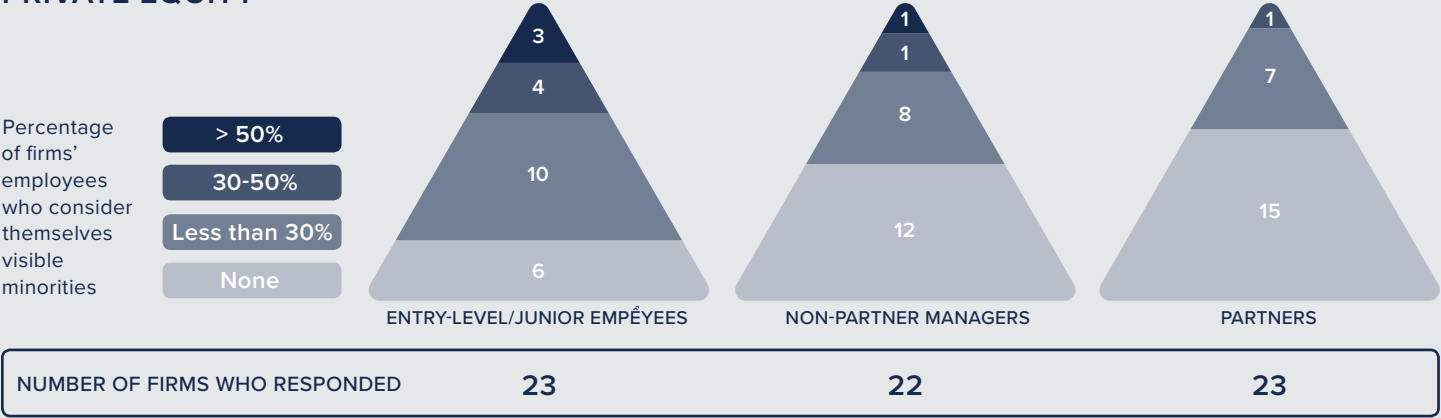
What bodes well for the future is that the pipeline of visible minority talent is strong. Of the 36 VC firms, 9 had more than 30% of their entry-level/junior employees and non-manager partners who were visible minorities.

VENTURE CAPITAL



Of the 23 PE firms, 7 had more than 30% of their entry-level/junior employees who were visible minorities. A smaller number, 2 out of the 23, had more than 30% of their non-partner managers who were visible minorities.

PRIVATE EQUITY



Continued from page 10

It has been [proven](#) that a diverse workforce improves productivity and performance.

“Diversity...inherently brings different perspectives to solving a problem,” Es Sabar says.

“And I find that my team is much more people-savvy and really have strong human skills which are vital for the business that we’re in... I love it because [they] really think outside the box and have a completely fresh approach.”

Quark Venture looks at each project on its own merit. If a project doesn’t suit the firm’s portfolio strategy, but they find it particularly innovative or ground-breaking or really like the team who are working on it, “we find a way to invest,” says Es Sabar. The firm also proactively provides expertise to their portfolio companies where appropriate.

“Our approaches to investment have been unusual, and we found that others have started to follow our trend.”

Creating a more inclusive workplace is a cultural shift that starts at the top, she says. The more diverse the thoughts, approaches, methodologies and business practices a company has in place, the more value is created.

Management should seek out multi-gender and multi-cultural candidates during the interview process and consider partnering with organizations who help underserved populations like new immigrants. “Some are highly educated and skilled, and we really need to utilize these skills,” says Es Sabar.

Companies also need to be open-minded and understand that hiring diverse candidates is just the start. You can have all the policies and procedures you want,” she says. “But making those people feel valued and their opinions included is important; inclusiveness is all about the culture of the organization.”



# REPRESENTATION OF INDIGENOUS, LGBTQ+ & PERSONS WITH DISABILITIES IN CANADIAN PRIVATE CAPITAL

Of the PE and VC firms surveyed, compared to representation of women and visible minorities, there is a clear opportunity to boost representation across these groups. The table below illustrates the percentage of firms' employees belonging to these groups who have self-identified:

## 23 PE firms

### INDIGENOUS



### LGBTQ+

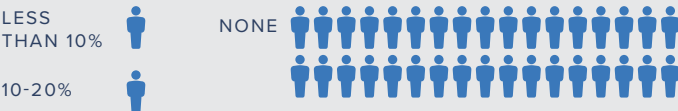


### PERSONS WITH DISABILITIES



## 36 VC firms

### INDIGENOUS



### LGBTQ+



### PERSONS WITH DISABILITIES

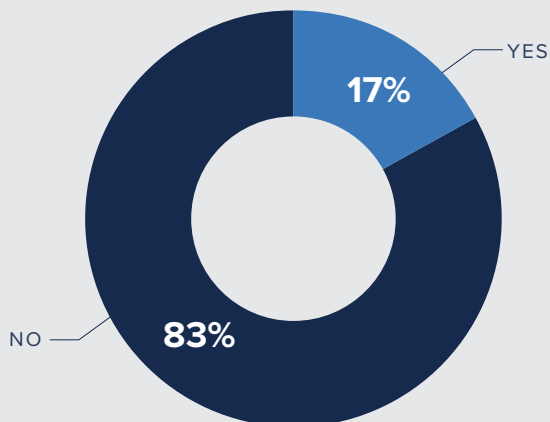




# INCLUSIVE PRACTICES AT FIRMS

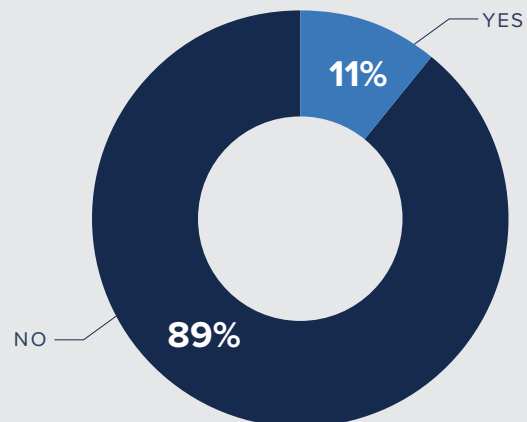
Employee engagement and/or D&I surveys are a common tool that organizations can use to measure and track employee engagement and inclusion. Among PE and VC firm respondents, only a small percentage (17% and 11%, respectively) conduct employee engagement and/or D&I surveys. Of the firms who conduct surveys, the average level of measured employee engagement for PE and VC firms is 89% and 90%, respectively.

**PE FIRMS THAT CONDUCT AN  
EMPLOYEE ENGAGEMENT AND/OR D&I SURVEY**



AVERAGE LEVEL OF ENGAGEMENT  
AND INCLUSION MEASURED BY SURVEY  
**89%**

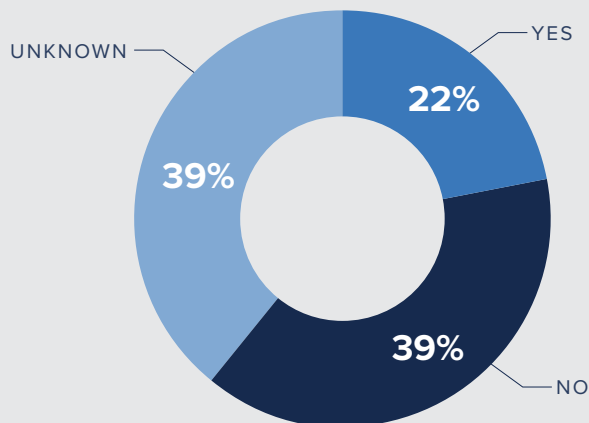
**VC FIRMS THAT CONDUCT AN  
EMPLOYEE ENGAGEMENT AND/OR D&I SURVEY**



AVERAGE LEVEL OF ENGAGEMENT  
AND INCLUSION MEASURED BY SURVEY  
**90%**

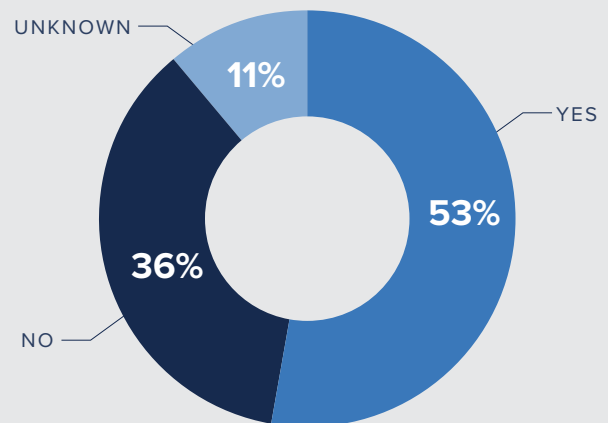
Firms with stated commitments to D&I are more likely to have diverse and inclusive organizations. Among PE firm respondents, only 22% had stated commitments to D&I, with 39% of respondents answering 'Unknown'. The VC firms have higher rates of stated commitments to D&I with 53% responding 'Yes.'

**PE FIRMS WITH STATED  
COMMITMENTS TO D&I**



TOTAL PE FIRMS  
**23**

**VC FIRMS WITH STATED  
COMMITMENTS TO D&I**

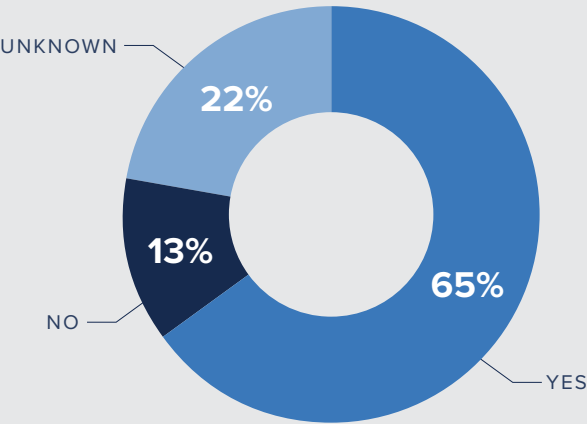


TOTAL VC FIRMS  
**36**

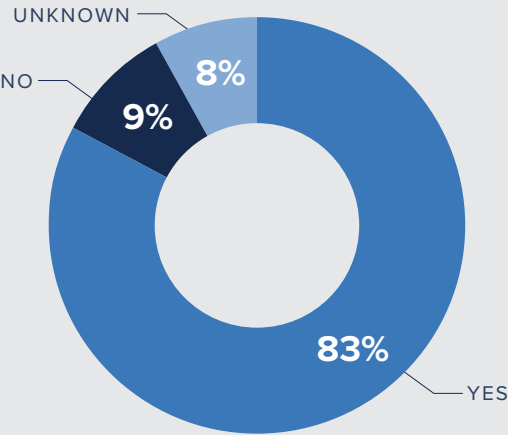


Survey respondents were asked to state if their firms have policies and/or practices in place to ensure all employees are treated fairly. PE and VC firms saw 65% and 83% responding ‘Yes’ to the question. Those who reported having practices in place listed inclusive leadership training and inclusive talent systems which are known to have higher impact than leading with employee resource groups or simply hiring more women. These numbers represent a good news story as firms appear to be laying the foundations for D&I.

**PE FIRMS WITH POLICIES  
AND/OR PRACTICES IN PLACE**



**VC FIRMS WITH POLICIES  
AND/OR PRACTICES IN PLACE**





# WHAT THE CVCA PLEDGES TO DO

## Take A Leadership Role

The CVCA will educate and inform its membership and stakeholders of the benefits of D&I through CVCA events and CVCA's publications.

## Creating Opportunities for Members

The CVCA will create education opportunities for its members in existing and newly created programs. These programs will include the Canadian Private Capital Investment School.

## Showcasing Success in the Industry

The CVCA will continue to shine a spotlight on those in our membership that have and continue to make positive changes in their organizations. The CVCA will leverage its industry publication (CVCA Central) and CVCA events to share media opportunities with these champions as they arise.

## Continued Support for Inclusive Industry Programs

The CVCA will continue to advocate for and support programs that promote a diverse private capital ecosystem. The CVCA has been a supporter of similar programs in the past, including the Venture Capital Catalyst Initiative (VCCI) which has had dedicated streams focused on underrepresented groups including women, diverse fund management teams, entrepreneurs, and emerging sectors.

*"Diversity is essential to make a lasting impact on the future of innovation in Canada. Diversity in leadership is proven to create more value for investors, more value for consumers, and support economic growth. By investing in strong teams and companies that lead by example, we accelerate the growth of their business, drive competitiveness, and ultimately create large companies that spur a new culture of diversity and inclusion that sits at the foundation for any good business culture. Over the past few years, there has been a ground swell of support for change and we are heading in the right direction but there is still much more to be done."*

**Michelle Scarborough**

Managing Director, Strategic Investments, BDC Capital

## MAKING A LASTING IMPACT FOR WOMEN IN TECH IN CANADA

Research proves diversity makes good business sense. BDC saw an opportunity to take a bold step by investing in women specifically in the tech sector where women-led companies are under-funded and under-represented in Canada.

BDC set out to change that with the Women in Technology Venture Fund (WIT). At \$200 million, it is the world's largest venture fund investing solely in women-led technology companies. To set the right focus for the fund, we consulted more than 200 entrepreneurs and investors.

Based on that research, WIT Fund was given a dual mandate to deliver a return on its investment and make a lasting impact on the Canadian tech ecosystem. Leading by example so other funds follow.

The majority of the fund's capital is used to invest directly in women-led tech companies (seed to Series A & B) who bring together the right technology, team and resources to create companies that transform or disrupt today's markets. WIT has the fortunate position to provide patient capital to support the women in its portfolio companies as they grow from seed to scale and keep enough capital for multiple investment rounds to help them reach their full potential. These are strong, scalable, revenue generating companies who want to grow quickly. Most importantly, they are women led, meaning they have a female founder, co-founder, CEO or executive driving the direction of the business (who has been in her role for at least one year).

"Our mandate is to support and grow great women leaders in tech and in venture, and lead by example so other funds follow," said Michelle Scarborough, Managing Director, Strategic Investments, BDC Capital. "In the past year, we reviewed more than 1,000 women-led tech companies. What it reinforces to me is that the number of women choosing entrepreneurship in technology and innovation is growing in Canada and we are just seeing the beginning of women playing strong leadership roles in tech enterprise."

In addition to direct investment, the fund works with partners to foster a robust network to support and encourage women in technology and investment roles that does not exist today. In the past year the fund has hosted a trade mission to China, launched a scholarship for a female investor in a venture capital firm to attend the Kauffman Fellows Program, introduced a Women in Tech Bootcamp, referred hundreds of companies to other capital opportunities, established new partnerships and hosted dozens of workshops and networking events to connect women in tech and women investors. At the same time, many funds across Canada are supporting diversity by helping to grow the ecosystem and making bold moves to grow the next generation of leaders in the asset class and in their portfolios.

As of March 2019, WIT Fund has already invested in 25 amazing Canadian, women-led tech companies. In addition, BDC has made a commitment to support women entrepreneurs and will provide \$1.4 billion in financing for women-owned businesses by 2021.

# WHAT THE CVCA ENCOURAGES ITS MEMBERS TO DO

The CVCA encourages all members to review their practices and policies to ensure the career success of their employees. In doing so, the skills and energy of the total workforce can be harnessed effectively for the good of the industry to better reflect Canadian society. The best manner to achieve this is through a strategy that integrates the following eight facets<sup>7</sup>:



## TAKE MEANINGFUL ACTION:

### Develop onboarding and engagement strategies

- Access diverse talent pools by posting jobs on the [CVCA job board](#)
- Pursue new recruitment strategies and targets such as diverse and inclusive organizations, conferences, and job fairs
- Pursue retention strategies
- The CVCA D&I Best Practices for an Inclusive Workplace subcommittee is currently researching various tools being used in the industry and will make its recommendations later in 2019
- [Volunteer](#) a spokesperson to speak on industry panels to Canadian university students to increase awareness about career paths in private capital.

<sup>7</sup> Source: [https://www2.deloitte.com/insights/us/en/topics/value-of-diversity-and-inclusion.html?icid=left\\_dcom](https://www2.deloitte.com/insights/us/en/topics/value-of-diversity-and-inclusion.html?icid=left_dcom)



## DIVERSE TEAMS = SUCCESSFUL PARTNERSHIPS AND NEW BUSINESS OPPORTUNITIES

At InstarAGF Asset Management Inc., respect for people, communities and the environment play a critical role in the company's success. The five-year-old firm invests in essential infrastructure assets across North America, including renewable energy, transportation, logistics and urban connectivity, aiming to deliver attractive returns to investors while fostering social value in the communities where its businesses operate.

"Infrastructure investing is fundamentally about empowering people and helping to create economic opportunity and a better quality of life," says Senior Vice President Sarah Borg-Olivier. "Having a diverse team helps us to partner more effectively with our portfolio company executives and the communities our assets serve."

According to Borg-Olivier, building diversity into the corporate culture starts at the ground level, including seeking out potential employees that offer new viewpoints and experiences, and bring new strengths to its team. Nearly 60 per cent of InstarAGF's growing team are women or visible minorities, including 20 to 30 per cent of partners. InstarAGF's management philosophy is guided by the [United Nations-supported Principles for Responsible Investing](#), and a corporate code of conduct establishing professionalism and inclusivity within the workplace.

"Even within a relatively small organization, having a variety of perspectives around the table helps to drive better outcomes," says Borg-Olivier. "By embracing and seeking diversity, we're better equipped to build successful partnerships and identify new business opportunities."

A key element of improving diversity and inclusion is nurturing a culture of mentorship and belonging, including celebrating individual milestones and successes, she

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says. Borg-Olivier also suggests companies look at challenges as possibilities, rather than obstacles, and find ways to encourage each employee to bring their best self forward. InstarAGF also employs a behavioral consultant to help improve internal and external communication skills and empathy, increasing the company's awareness of different perspectives or approaches. Borg-Olivier credits initiatives such as this for fostering an inclusive team environment.

"Taking the time to understand and appreciate the diversity of our team creates a strong foundation for open dialogue and debate," says Borg-Olivier. "We've seen time and again the many benefits that come from investing in people."

Diversity is also integrated into InstarAGF's investment approach, as seen with its [Okanagan Wind project in British Columbia](#). Located on Crown land that is ancestral First Nations territory, the company partnered with local First Nations communities to develop the project, the first wind power facility in the region. Sixty per cent of construction-related contracts were awarded to First Nations-backed firms, who continue to work with the company on environmental monitoring and renewable energy education, with annual scholarships funded to promote continuing education. One hundred per cent of scholarships awarded to date have gone to female First Nations students, with 46 per cent pursuing a secondary education in social work, continuing the cycle of positive impact within the community.

Ultimately, says Borg-Olivier, "developing and financing successful infrastructure projects really depends on how meaningfully you engage and partner with local stakeholders over the long term."

Promoting diversity and inclusion doesn't just help to attract and retain talent; according to InstarAGF, it's a win-win when it comes to investing. Borg-Olivier says institutional investors increasingly expect GPs to focus environmental, social and governance (ESG) considerations, including diversity, and that sometimes ESG performance can be a key investment criterion.

"It's important to have a team that reflects the kind of diversity that's in the broader world around us, especially in a private equity setting where the sector is still young and growing," says Borg-Olivier. "It helps us to build stronger, deeper relationships with our stakeholders and drives better long-term business performance."



## Foster an inclusive environment

- Introduce innovative tools, resources, and ideas to attract, retain, and develop diverse talent, providing mentorship and networking opportunities specifically targeted at diverse members, and assemble a list of mentors among CVCA members and match them with new partners/employees coming from diverse backgrounds
- Rotate who runs meetings
- Champion staff at every level to represent the organization at conferences and events

## Embed diversity and inclusion

- Create reporting and metrics for the organization and executive leadership; be transparent with the communication of progress against these goals
- Support firm leaders by regularly profiling, recognizing, and or rewarding leaders that demonstrate inclusive behaviours
- Create benchmarks for realistic and business-focused plans
- Review job descriptions to remove unconscious bias
- Evaluate alignment of D&I initiatives with organizational strategies, objectives, and culture
- Develop and implement a code of conduct ([CVCA has endorsed the ILPA code of conduct guidelines](#))

## Champion education

- Enrol leaders and employees in unconscious bias training/workshops
- Use the [CVCA Resource Library](#) to stay abreast of diversity trends and tools
- Take note of what policies and laws regarding equity issues are being considered in the national landscape
- Make this an active part of conversations with employees and business partners





## ABOUT THE CVCA

Canada's Venture Capital & Private Equity Association, founded in 1974, is the organization that represents Canada's venture capital and private equity industry. It is an independent, member-based body consisting of the majority of firms and organizations which manage pools of private market risk capital committed to venture capital and private equity investment. With approximately 270 member firms, ranging from Canada's largest pension plan to some of the country's most creative financiers of current and next generation companies and entrepreneurs, and over 1000 individual members, CVCA members are critical players in the Canadian economy.

The CVCA's mission is to be Canada's voice and go-to stakeholder for the venture capital and private equity industry. It is focused on broadening industry awareness through market research, content, and networking opportunities so that members can make the best investment decisions. The organization also advocates on behalf of the industry to ensure sound public policy that encourages a favourable environment for investment.

## ABOUT BDC CAPITAL

BDC Capital is the investment arm of BDC- Canada's only bank devoted exclusively to entrepreneurs. With over \$3 billion under management, BDC Capital serves as a strategic partner to the country's most innovative firms. It offers a full spectrum of risk capital, from seed investments to transition capital, supporting Canadian entrepreneurs who wish to scale their businesses into global champions.

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