



British Columbia Investment Management Corporation
750 Pandora Ave / Victoria BC / V8W 0E4 CANADA
T +1 778 410 7100 communication@bci.ca [BCI.ca](https://www.bci.ca)

September 27, 2023

Alberta Securities Commission
Autorité des marchés financiers
British Columbia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Nova Scotia Securities Commission
Nunavut Securities Office
Office of the Superintendent of Securities, Newfoundland and Labrador
Ontario Securities Commission
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island

Via email: comment@osc.gov.on.ca
consultation-en-cours@lautorite.qc.ca

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor, Box 55
Toronto, Ontario
M5H 3S8
Fax: 416-593-2318
comment@osc.gov.on.ca

Me Philippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Fax: 514-864-6381
consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames,

Re: Proposed Amendments to Form 58-101F1 Corporate Governance Disclosure and National Policy 58-201 Corporate Governance Guidelines

British Columbia Investment Management Corporation (BCI) is an investment manager with over CAD \$233 billion in assets under management, and one of the largest institutional investors in Canada. Our investment activities help finance the pensions of approximately 725,000 people in our province, including university and college instructors, teachers, health care workers, firefighters, police officers, municipal and other public sector workers. On behalf of these pension beneficiaries, we provide long term capital to companies around the world that we believe will deliver strong and stable financial returns.

BCI welcomes the opportunity to provide feedback to the Canadian Securities Administrators (“the CSA”) on the important topic of diversity disclosure. Through our engagement with regulators and issuers, and by collaborating with our peers, BCI has provided long standing support to voluntary, market-based efforts to address the lack of diversity on corporate boards in Canada. For example, BCI chairs the Investor Group for the 30% Club of Canada, which through **two public statements** has supported a goal to achieve a minimum of 30% representation from women on boards in Canada. We are also signatories to the **2020 Canadian Investor Statement on Diversity and Inclusion**.

Signatories to these statements all expect Canadian issuers to provide public disclosures of diversity data with respect to the representation of designated groups on their boards and executive management team, using voluntary, self-identified information. They also expect issuers to adopt policies to improve representation and to explain how they address challenges and barriers through strong recruitment practices that consider a wider and more diverse pool of candidates. In turn, signatories commit to engaging with Canadian companies to convey these expectations, integrate diversity and inclusion in our investment processes and look at our own organizational efforts to advance best practices.

BCI participates in these initiatives because we believe that diversity is a critical component of good corporate governance. Diverse boards and executive management teams are more likely to yield positive outcomes for investors and other stakeholders by introducing a broad spectrum of perspectives, skills, and experience. While our activities and focus began with increasing the representation of women on boards in Canada, we have broadened our focus to include other forms of diversity to address historically underrepresented groups.

As such, we are decidedly supportive of the CSA’s efforts to introduce enhanced diversity disclosure requirements for Canadian issuers. We are, however, concerned and disappointed in the approach taken by the CSA to present two competing and imperfect options in this consultation. We believe it would be more constructive to strive for agreement and present a single proposal.

Nevertheless, BCI wishes to express its strong preference of Form B over Form A for the reasons outlined below.

1. Form B best meets the needs of investors. As investors, we rely on data availability, consistency and comparability for our decision making, monitoring, voting and stewardship activities. Form B would provide standardized and comparable disclosures, in a tabular format, across different issuers in relation to the representation of women and historically underrepresented groups on boards and in executive officer positions. Conversely, Form A would leave excessive discretion for issuers to disclose no diversity information beyond gender, introducing additional inconsistencies and a lack of transparency to the data, and would not be a substantive improvement over the status quo. The CSA has recognized the value in responding to market demand for consistent and comparable disclosures in its **statement** welcoming the International Sustainability Standards Board (“ISSB”)’s new sustainability disclosure standards, which leverage the standards built by the Sustainability Accounting Standards Board (“SASB”). Adopting Form B would demonstrate CSA’s commitment to ensuring investors have the information they need to make informed investment and voting decisions.

2. We believe it is reasonable and practical to align disclosure requirements with the specified designated groups that have been determined by human rights legislation, the Canada Business Corporations Act, and the Canadian Employment Act. This levels the playing field between CBCA issuers and non-CBCA issuers. We recognize the addition of LGBTQ2SI+ as a category that has not been included in the CBCA requirements. We are of the understanding that the CBCA is considering adding this category in future disclosure requirements. Further, this approach also aligns with existing diversity disclosure regimes globally such as the U.S. (under NASDAQ rules) and the U.K.
3. The guidelines accompanying Form B provide for greater reflection on governance, how diversity fits into strategy and what the mechanisms are to achieve diversity by requiring answers to specific questions. Form A lacks this guidance which may lead to boiler plate generic responses that often lack the kind of detail investors look for to gain an understanding of how diversity fits into company strategy.
4. Form B's approach does not restrict issuers from adopting parts of Form A's approach, where they believe that additional information and datapoints, targets or narrative around other types of diversity that are not addressed in Form B, are relevant to their strategy.
5. We do recommend that Form B include disclosure on how a company considers diversity when making executive officer appointments. This element from Form A is already included in current gender diversity disclosure requirements and removing this information weakens an otherwise transparent and strategic approach.
6. We do not believe the requirement to describe responsibilities, powers and operation of the nominating committee should be removed. This is important contextual information for investors and good governance practice.

Self Identification and potentially sensitive information

BCI recently went through our own process of administering a self-identification census, so we understand that not all diversity data disclosed through Form B will be complete. This is fair, and acceptable. In no way do we think anyone should feel compelled to disclose information that they are not comfortable disclosing. We believe this challenge can be addressed over time by building supportive corporate cultures of inclusivity, where employees feel safe enough to self-identify. This process can be explained in narrative disclosures and proactive shareholder engagement.

We thank the CSA for the opportunity to provide comments on this important topic and appreciate the ongoing efforts to enhance diversity disclosures in Canada.

For any clarifications related to this submission please contact Susan Golyak, Director, ESG at [REDACTED].

Sincerely,

[REDACTED]
Daniel Garant
EVP & Global Head, Public Markets
cc Susan Golyak, Director, ESG