

September 25, 2023

The Secretary  
Ontario Securities Commission  
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Toronto ON M5H 3S8

Me Philippe Lebel  
Corporate Secretary and Executive Director, Legal Affairs  
Autorité des marchés financiers  
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Submitted by email to: [comment@osc.gov.on.ca](mailto:comment@osc.gov.on.ca); [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

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

Dear Sirs/Mesdames:

We appreciate the opportunity to comment on the proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* and National Policy 58-201 *Corporate Governance Guidelines* (the “Amendments”). Founded in 1962, OMERS is one of Canada’s largest defined benefit pension plans, with \$127 billion in net assets as at June 30, 2023. OMERS is a jointly-sponsored pension plan, with over 1,000 participating employers ranging from large cities to local agencies and over half a million active, deferred, and retired members. OMERS teams work in offices around the world – serving members and employers and originating and managing a diversified portfolio of high-quality investments in public markets, private equity, infrastructure, and real estate.

OMERS believes that leadership of companies should reflect the diversity of the society within which they function. We take actions in pursuit of these values, such as becoming a founding member of the Canadian chapter of the 30% Club promoting gender diversity on corporate boards. A diversity of perspectives and skills on both a company’s board of directors and among its senior executives can result in more effective decision-making, in turn leading to better long-



term returns, which OMERS seeks as a fiduciary investing on behalf of our members. OMERS commends the Canadian Securities Administrators' efforts to improve diversity-related disclosure that will enable us to better assess the companies in which we invest.

We address each of the questions posed in relation to the Amendments below:

- 1) We support the disclosure of the skills, knowledge, experience, competencies, and attributes companies consider when evaluating candidates. One of a board's top priorities should be to ensure that it has competent members with the appropriate skillset and diversity of experience. Requiring companies to disclose information relevant to their board nomination processes would aid us in better assessing whether our expectations in that regard are met. As an investor we would not seek information about directors so detailed that it would be considered confidential or competitively sensitive. Broad descriptions of the attributes and expertise of board members and general information about the nomination process would be sufficient and should not result in any privacy concerns for issuers.
- 2) OMERS prefers the approach to diversity disclosure in Form B over Form A. Most importantly, Form B would allow for comparability across issuers. We recognize that the diversity concerns facing businesses can differ depending on geography, industry, and other factors. However, standardized disclosure would allow investors to more efficiently assess where an issuer stands on diversity and determine whether its actions are appropriate for its situation. The open-ended approach used by Form A would mean investors such as OMERS would need to make direct inquiries of each issuer separately to obtain the information necessary to properly compare companies against their peers, which would be more time consuming for both investors and issuers compared to standardized disclosure in a tabular format.
- 3) Information on the diversity approach and objectives with respect to executive officer positions is useful for investors. Although it is a board's responsibility to make executive staffing decisions it is helpful for investors to understand where progress is being made. We note that while Form B would require disclosure of both targets and number of persons from designated groups in executive officer positions, it does not require an issuer to disclose a written strategy for achieving or maintaining diversity among executive officers. Form B would require such disclosure in relation to board diversity and the same should be required for an issuer's approach to diversity in executive officer positions as well.
- 4) We support the disclosure of data about specified designated groups, consistent with the approach in Form B. Many issuers are already reporting on most of the designated groups identified in Form B under *Canada Business Corporations Act* (CBCA) requirements, so extending such disclosure to all public issuers regardless of jurisdiction

of incorporation would provide greater consistency. The five specified designated groups (women, Indigenous peoples, LGBTQ2SI+ persons, persons with disabilities, and racialized persons) are appropriate within Canada's social makeup. We would expect issuers to include disclosure on other groups if appropriate for their particular circumstances.

- 5) OMERS supports a requirement for the reported data to be disclosed in a common tabular format. As an institutional investor with large numbers of holdings and disclosure documents to review, consistency in format among issuers is especially important to us. A common tabular format would allow comparability across issuers and make assessing the disclosures simpler for investors. Additionally, a prescribed format should ease the burden on issuers by providing certainty in terms of what information must be disclosed.
- 6) Issuers already reporting under CBCA requirements would need to report on LGBTQ2SI+ as a designated group under Form B, which would be in addition to their existing reporting obligations. We believe this is appropriate, useful for investors, and would not be unduly burdensome for issuers. The CBCA requirements refer to the *Employment Equity Act* definitions of designated groups, which uses different terminology than that used in the Amendments. We suggest that the CSA collaborate with the federal government to ensure that reporting requirements and terminology are consistent to the extent possible so that disclosures made under the Amendments would also be acceptable to fulfill CBCA diversity disclosure requirements.
- 7) OMERS is in favour of extending diversity disclosure requirements to venture issuers after the Amendments are introduced for non-venture issuers and any initial problems resolved. The information required by the Amendments, particularly the data in tabular format required by Form B, would be useful to investors in all reporting issuers.

We thank you for the opportunity to provide these comments. We would be happy to address any questions you may have and appreciate the time you are taking to consider our input.