



Governance Professionals of Canada (GPC)
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October 12, 2023

Me Philippe Lebel
Corporate Secretary and Executive Director,
Legal Affairs
Autorité des marchés financiers
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The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor, Box 55
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

Dear Secretary and Me Lebel,

**RE: CSA Notice and Request for Comment –Proposed Amendments to Form 58-101F1
Corporate Governance Disclosure of National Instrument 58-101 Disclosure of Corporate
Governance Practices (Form 58-101F1) and Proposed Changes to National Policy 58-201
Corporate Governance Guidelines (NP 58-201)(collectively, the Amendments)**

Governance Professionals of Canada (GPC) welcomes the opportunity to provide our comments to the Canadian Securities Administrators (CSA) on the proposed amendments to Form 58-101F1 and NP58-201.

GPC is a membership body composed of professionals within corporate entities holding positions such as Corporate Secretary, Corporate Secretary and General Counsel, Manager Corporate Governance, VP/Director/Officer Compliance, Risk, Legal or Regulatory Affairs, Associate/Assistant Corporate Secretary and Board Administrator, CEO, CFO, Board Chair, Director, Committee Chairs. The members hold positions in a very broad spectrum of organizations ranging from publicly traded companies, private companies, state-owned enterprises, not-for-profits, cooperatives and credit unions.

GPC's mandate is to be the voice of governance professionals in Canada. Its members deal with all matters affecting corporate governance, from board and committee processes, management and structure, disclosure, stakeholder engagement, legal and corporate compliance, as well as issues crucial to boards, their accountability and oversight.

Because GPC uniquely has insight into a very broad representation of organizations and individuals involved in Canadian organizational governance, GPC believes it has a special viewpoint to bring to the discussion respecting diversity and disclosure.

GENERAL COMMENTS

GPC as an organization agrees with the CSA that the feedback received on prior diversity consultations affirms that diversity on boards and in executive officer positions is a critical component of good corporate governance, and an important consideration not only for investors in shareholder-based organizations but also for all organizations which have a strong community interest and/or impact.

In particular, GPC acknowledges that changes being considered in the governance structure or processes in the regulatory environment of widely held shareholder organizations, have an enormous downstream future impact on all organizations focussed on value creation in the business and social community.

SPECIFIC COMMENTS

In order to provide a more focussed response to the call for comments, GPC undertook an informal member survey to garner feedback from its diverse membership respecting the proposed options for diversity disclosure. In this section, we convey our interpretation, on an aggregated basis, of the responses received from individual members to the questions we asked. The responses were indicative of the general profile of the GPC membership: shareholder-based organizations (widely held and private) represented about 33, with not-for-profits representing 47 % and the rest being small/medium enterprises. Since no in depth cross-tabulation of data was undertaken to determine any distinctions among the responses of various types of organizations, our results reflect a more general and universal view of the issues around diversity and diversity disclosure and should therefore be of particular interest.

For example, over 65% of the respondents assert that their organizations have a diversity strategy that goes beyond gender diversity. As well, in response to a question geared to the expected benefits of the organization's approach to diversity, almost 70% indicated that they would benefit from increased recruitment, employee retention, better decision-making and fostering a better culture around diversity.

Finally, a strong majority (over 65%) agreed that increased regulatory disclosure of organizational diversity would improve existing benefits to the organization from their current diversity strategies, and 64% responded that they had no concerns about regulatory interest in requiring more diversity disclosure.

The survey did not seek feedback on Form A or Form B in view of the fact that we have such a large representation from organizations without a shareholder base. However, detailed comments did focus on concerns about how data would be gathered, and that moving beyond gender diversity (and even in some respects, related to more nuanced discussions about gender), whether reliable data could be gathered given current restrictions on requests for personal information.

Furthermore, there were comments from all sectors of our membership expressing concern about the following:

1. The costs and efforts required to report on different standards to different regulators unless there is complete harmonization of disclosure standards for diversity.
2. Concerns that differing disclosure requirements across regulatory bodies could create additional confusion in reporting and lead to decreased, rather than improved, information dissemination for the purpose of benchmarking by interested stakeholders.
3. A concern that diversity disclosures will detract from sincere organizational efforts to work towards the more critical objective on inclusion.
4. Organizations need to develop diversity strategies that align with their specific purpose and objectives. The focus for disclosure (while not elegant for investor benchmarking in the shareholder world) should be on articulating and justifying the diversity strategy and targets as they support the purpose and objectives. This is very difficult to undertake in a formulaic approach to disclosure. While the concepts of Form A and Form B are an interesting approach for responding to specific information requirements, neither, in their suggested formats, are helpful as a more high-level communication document.

RECOMMENDATIONS

GPC, understanding that it represents a larger governance community than the investor and issuer interests of the shareholder-based organizations subject to the oversight of CSA and the OSC, respectfully proposes:

1. Consider taking more time and collaborative effort to create a harmonized and standardized approach to diversity disclosure.
2. Consider the downstream impact on the larger organizational community that is so strongly influenced by emerging governance practices in the widely held shareholder-based community.

Respectfully submitted,



Lynn Beauregard,
President
Governance Professionals of Canada