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ONTARIO SECURITIES COMMISSION

OSC ROUNDTABLE:

STRENGTHENING DIVERSITY IN OUR CAPITAL MARKETS

HELD ON: Thursday, September 14, 2023

HELD AT: Hybrid Event - In Person and Via Videoconference

MODERATORS:

Grant Vingoe - CEO, Ontario Securities Commission

Naizam Kanji- General Counsel, Ontario Securities Commission

OPENING REMARKS:

Grant Vingoe - CEO, Ontario Securities Commission

Jo-Anne Matear - Special Advisor to the Executive on Sustainable Finance, Ontario Securities Commission

1 Panelists:

2 - Melanie Adams, VP & Head, Responsible Investment, RBC
3 Global Asset Management

4 - Joseph Bastien, Associate Director, Inclusive Economy,
5 SHARE

6 - Jean-Paul Bureaud, Executive Director, FAIR Canada

7 - Roger Casgrain, Executive Vice President, Casgrain &
8 Company Limited

9 - Gigi Dawe, VP Policy and Research, Institute of Corporate
10 Directors

11 - Peter Dey, Chairman, Paradigm Capital

12 - Nils F. Engelstad, Senior Vice President, General Counsel,
13 Alamos Gold Inc.

14 - Rhonda Goldberg, Executive Vice-President and General
15 Counsel, IGM Financial Inc.

16 - Kelly Gorman, Executive Vice President, Governance
17 Advisory, Kingsdale Advisors

18 - Michela Gregory, Director, Responsible Investing and ESG
19 Services, NEI Investments

20 - Michael Holder, Managing Partner, North Star Legal
21 Professional Corporation and Managing Director, North Star
22 Consultants Inc.

23 - Geordie Hungerford, CEO, First Nations Financial
24 Management Board

25 - Sarah Kaplan, Distinguished Professor, Founding Director,
26 Institute for Gender and the Economy, Rotman School of
27 Management, University of Toronto

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1 --- Upon commencing on Thursday, September 14, 2023 at 9:02 a.m.

2 OSC ROUNDTABLE: STRENGTHENING DIVERSITY IN OUR
3 CAPITAL MARKETS:

4 MR. VINGOE: Before we begin, I'd like to start
5 today's meeting with a land acknowledgement and also recognize
6 the importance of the National Day for Truth and Reconciliation
7 coming up on September 30th. We acknowledge that we are on the
8 traditional territories of many nations, including the
9 Mississaugas of the Credit, the Anishinaabe, the Haudenosaunee
10 and the Wendat peoples. We also acknowledge that Toronto is
11 covered by Treaty 13, signed with the Mississaugas of the Credit
12 and the Williams treaties signed with multiple Mississaugas and
13 Chippewa bands. The OSC is grateful for Indigenous peoples'
14 stewardship of the lands and waters we all rely upon. Thank
15 you.

16 OPENING REMARKS:

17 So today's roundtable focuses on the CSA's proposed
18 changes to corporate governance, disclosure practices related to
19 broader diversity on boards and in executive officer positions.
20 I'd like to thank each of you in attendance here today and those
21 of us who are joining remotely for your engagement on this
22 important issue. The issue of strengthening diversity in
23 corporate governance and executive management has gained
24 momentum since the initial comply-and-explain requirements
25 introduced in 2014. In nearly a decade since then, the number
26 of board seats held by women has increased by more than
27 two-fold, from 11% to 27% as of the Year 9 report that will be
28 published in a few weeks. Clearly, more has to be done, but

1 there has been that progress that we rightly don't take comfort
2 in, but absolutely support as progress.

3 In recent years, Canada has become an even more
4 ethnically and culturally diverse country. You know, we all
5 celebrate that. And significant events have brought attention
6 to the issues of racism and bias in our society. We can't close
7 our eyes to that reality.

8 There's a growing chorus of investors calling for
9 companies to have a board and management team who more closely
10 reflect the customers and society they serve. Many view
11 diversity disclosure as a necessary aspect of good governance
12 and an important factor in their investment and voting
13 decisions. During the OSC's 2021 consultations on diversity,
14 Ontario stakeholders overwhelmingly supported expanding the
15 current disclosure requirements focused on gender to include
16 other groups. Inclusion and diversity continue to be topics of
17 public discourse that are intensely debated and often very
18 emotional. And this is debated in many spheres around the
19 world, including within the CSA, where there are a variety of
20 opinions.

21 Despite increased politicization of these issues, as
22 securities regulators, our focus remains firmly on what is
23 material to investors in deciding how and where to invest. It
24 could be financial materiality, and it can also be materiality
25 in a broader sense of what is important to investors and what's
26 important to the beneficiaries of institutional and other
27 investors. It is also a governance issue, as diversity at the
28 board and management levels brings a variety of opinion, which

1 promotes more meaningful discussions and better decision-making
2 by companies. And I think many of us have experienced that in
3 our own organizations.

4 As you know, in April, the CSA published for comment
5 two different proposals that aim to increase transparency for
6 investors and provide guidance to issuers on governance
7 practices. These proposals are the focus of our discussion
8 today. The first proposal, Form A, would require an issuer to
9 disclose its approach to diversity in respect of the board and
10 executive officers but wouldn't mandate disclosure for any
11 specific groups. The second proposal, Form B, is generally
12 aligned with Form A on its approach to board nominations and
13 renewal, with a key difference being that it mandates disclosure
14 on specifically historically underrepresented groups. It
15 doesn't foreclose additional disclosures beyond that, but that
16 baseline would be clear.

17 Many of you in attendance today have already provided
18 thoughtful input on these proposals through your written
19 comments and in-person consultations andnd I'm really grateful
20 for that. The initial 90-day comment period has been extended
21 to the end of this month to provide an additional opportunity to
22 respond. Given the significance of these issues, we felt it was
23 important to bring people together in this roundtable to have an
24 in-depth discussion on the best path forward for our capital
25 markets.

26 We're really fortunate to have a broad and highly
27 distinguished group of panelists to lead these conversations.
28 We have a lot to cover, and we have a panel with so much talent

1 that we need to hear from all of them. We also want to hear
2 your input on what requirements best meet the needs of investors
3 and issuers.

4 I want to clarify that this shouldn't be perceived as
5 a strict choice, necessarily, between Form A and Form B. You
6 know, we recognize there may be opportunities for a hybrid
7 approach or a compromise. And if you have those ideas, we
8 really want to hear them. So, we welcome your feedback on the
9 approach to be taken to help achieve our objectives to increase
10 transparency about diversity, including diversity in addition to
11 women on boards and in executive officer positions and to
12 provide investors with decision-useful information that enables
13 them to better understand how diversity ties into an issuer's
14 strategic decisions.

15 I look forward to today's discussion. I encourage you
16 to actively participate and ask questions. There'll be an
17 opportunity for questions at the end. We'll try to get to as
18 many of them as we can. I'm also very pleased to be
19 co-moderating today's roundtable along with Naizam Kanji, the
20 OSC's acting Executive Director. I'd like to thank all of our
21 panelists for their participation and their contributions to
22 strengthening Ontario's capital markets.

23 And with that, I'll turn things over to
24 Jo-Anne Matear, the OSC's Special Advisor to the Executive on
25 Sustainable Finance, who will introduce our panelists.

26 So over to you, Jo-Anne.

27 MS. MATEAR: Thank you, Grant.

28 I would also like to thank our panelists and all of

1 you who have joined us today. We acknowledge our colleagues
2 from the CSA Secretariat and other securities commissions who
3 are either in the room or listening on the line. And we are
4 pleased to welcome representatives from the Ministry of Finance;
5 the Financial Services Policy Division, Finance Canada; and the
6 Ministries of Energy, Infrastructure, and Public and Business
7 Service Delivery. We would like to acknowledge the extensive
8 and excellent comments we received in response to our public
9 consultation currently underway. We are reviewing and
10 considering all the comments as we move forward.

11 Now for a few housekeeping matters. If you haven't
12 already done so, please help yourself to the coffee and
13 continental breakfast available at the back of the room.
14 Restrooms are located on the other side of the elevator lobby.
15 We are live streaming today's event and will be recording the
16 webcast and transcribing the roundtable. The transcript will be
17 available on our website. And we are also photographing today's event

18 . You can
19 participate in the conversation on social media using the
20 hashtag #OSCDiversityRT. At registration, you may have scanned
21 a QR code to access today's agenda and the panelists' bios. In
22 case you missed it, please scan the QR code now on the screen to
23 access the materials.

24 I am delighted to introduce our expert panel, who will
25 discuss the CSA's diversity consultation and help us consider
26 approaches to broader diversity, investor and issuer
27 perspectives on disclosure, alignment with local and
28 international market developments, and more.

1 The roundtable panelists are Melanie Adams, VP and
2 Head, Responsible Investment, RBC Global Asset Management;
3 Joseph Bastien, Associate Director, Inclusive Economy, SHARE;
4 JP Bureaud, Executive Director, FAIR Canada; Roger Casgrain,
5 Executive Vice President, Casgrain & Company Limited; Gigi Dawe,
6 VP Policy and Research, Institute of Corporate Directors;
7 Peter Dey, Chair, Paradigm Capital; Nils Engelstad, Senior Vice
8 President, General Counsel, Alamos Gold Inc.; Rhonda Goldberg,
9 Executive Vice-President and General Counsel, IGM Financial
10 Inc.; Kelly Gorman, Executive Vice President, Governance
11 Advisory, Kingsdale Advisors; Michela Gregory, Director,
12 Responsible Investing and ESG Services, NEI Investments; Michael
13 Holder, Managing Partner, North Star Legal Professional
14 Corporation and Managing Director, North Star Consultants Inc.;
15 Geordie Hungerford, CEO, First Nations Financial Management
16 Board; and Sarah Kaplan, Distinguished Professor, Founding
17 Director, Institute for Gender and the Economy, Rotman School of
18 Management, University of Toronto.

19 As Grant mentioned, Naizam Kanji, General Counsel and
20 acting Executive Director at the OSC, will join Grant in
21 moderating today's discussion. The format for today will be two
22 panel discussions addressing four topics. The first discussion
23 will focus on approaches to achieving broader diversity and
24 diversity disclosure, investor and issuer perspectives.

25 We will take a short break at 10:10 a.m. After the
26 break, we will resume our discussion focusing on alignment
27 within the market, including consideration of the experience
28 with the requirements of the *Canada Business Corporations Act*

1 and other developments and targets and board renewal. Audience
2 members will have the opportunity to direct questions to the
3 panel at the end of the roundtable discussion. If you are in
4 the room, please raise your hand, and a staff member will bring
5 a microphone to you. If you are on the line, please type your
6 questions into the chat, and we will get to as many as we can in
7 the time allotted.

8 Now let's get started. I am pleased to turn things
9 over to Grant and Naizam. We look forward to a productive
10 discussion today.

11 PANEL DISCUSSION:

12 MR. VINGOE: We'll start with theme one that Jo-Anne
13 Identified: approaches to achieving broader diversity. So, you
14 know, many of you are immersed in this topic. So it almost goes
15 without saying that, you know, the goal of the proposed
16 amendments is to build on the existing disclosure requirements
17 regarding the representation of women on boards and in executive
18 officer positions and to address board renewal.

19 The main objectives of the proposed amendments are to
20 increase transparency about diversity -- including diversity
21 beyond women on boards and in executive officer positions -- to
22 provide more decision-useful and comparable information that can
23 be used and compared across many issuers, ensure investors that
24 they have the information they need to make the investment
25 decisions and voting decisions that they need, and to provide
26 guidance to issuers on corporate governance practices. People value
27 messaging from the regulatory community that
28 will provide guidance and best practices and allow for

1 comparability and to know that there's a common standard.

2 So, I'm going to start with a number of questions. And
3 we've identified people who are going to lead off, and then
4 others will add to the discussion.

5 So, the first question -- and Melanie will be the lead
6 on this, followed by Kelly and Michela -- is what diversity
7 information do investors need to inform investment and voting
8 decisions and why? And how is diversity information currently
9 being used by investors? So, over to Melanie.

10 MS. ADAMS: Thanks very much. And thanks very much
11 for the opportunity to be here today.

12 As an institutional and retail investor on behalf of
13 our retail clients, what we're really focused on is our
14 fiduciary duty to our clients. And this was talked about a
15 little bit in the intro, that it's about the risk/return
16 profile. And it's difficult sometimes to connect diversity
17 directly to the financial return. But you can certainly see the
18 risk and where it connects into the risks. We believe that a
19 diverse workforce will bring better risk management processes,
20 will help reduce litigation risks, will help reduce
21 controversies at companies, will help retain talent, attract
22 talent, and so all of these are managed properly with good
23 diverse policies as well as the outcome of that.

24 So, what are we looking for as investors? We're
25 looking, first of all, at: what is the philosophy of the company?
26 What does the company really believe in? And understanding that.
27 Secondly, what are their policies? How are they implementing
28 this throughout the company? And thirdly, it's not enough just

1 to have a policy in place. We really do need to know how that
2 policy is playing out at that company. And so, we need the data.
3 We need to understand: Is there a diverse workforce? Is there
4 diverse senior management? What does the board look like?

5 Currently at GAM -- and I'll speak a little bit to
6 industry, but at GAM, we vote for gender. We require 30% women
7 on boards because we have this data. We don't have
8 self-disclosed data from companies on other forms of diversity.
9 Now, we are seeing vendors like ISS and others deliver this type
10 of data, but it's not self-declared by companies. And we
11 struggle with that as an investor to, you know,
12 put too much weight in that, because it's based on ISS'
13 assessment of the directors. And so, what we need is
14 more information about these types of policies, this type of
15 data specifically, so that when we engage with companies, we can
16 ask them these types of questions and we can better understand
17 the risks that we're seeing. We do get a lot of that type
18 of information through engagement, but it's not detailed enough
19 for us.

20 MR. VINGOE: Thank you.

21 Kelly, you have a unique perspective from the
22 Kingsdale background and beyond that. What would you add?

23 MS. GORMAN: Yeah. For context, how we advise
24 companies and boards specifically as we're looking at their
25 disclosure through the lens of how ISS and GL, the predominant
26 proxy advisory firms, are going to be looking at this
27 information and making decisions on the types of voting
28 recommendations they want to put forward about directors. And a

1 lot of the information that they're assessing is diversity as
2 well. And it's important to understand that their influence is
3 very significant. And so, well, many institutional investors
4 will have their own policies, and in some cases, may be stricter
5 than ISS or GL. Still, a lot of people rely on the type of
6 reporting that they're doing and the information that they're
7 bringing forward so that investors can make informed decisions.

8 Oftentimes, you see large institutional investors will
9 vote in line directly with their recommendations without even
10 looking at the proxy circulars themselves. So, it's very key
11 that the disclosure is there for these proxy advisory firms to
12 actually look at and form opinions based on what their
13 benchmark policies are. And their benchmark policies do address
14 both diversity and gender.

15 And what we're going to see going forward is that in
16 ISS in 2024, they will be looking for diversity beyond gender.
17 And what I would say, it remains to be seen what GL will be
18 looking at because they haven't released their policies yet.
19 But this is critical disclosure that investors need to make
20 voting decisions. It really is driving voting decisions not
21 just in Canada, but around the world.

22 MR. VINGOE: Thank you.

23 Michela?

24 MS. GREGORY: Hello. Good morning, everyone. Thanks
25 to the OSC for holding this forum. And really looking forward
26 to hearing everyone's perspectives.

27 From our perspective, I think the first thing to note
28 is that diversity, equity, and inclusion is a critical social

1 issue. And in the context of this discussion, I feel like I'll
2 start with that and then raise that it's also a critical
3 investment issue for some of the reasons that Melanie has
4 already flagged. And so, in light of how we consider diversity,
5 equity and inclusion and our decision-making when we look at
6 what it means for how a company considers risk, how a company is
7 able to best meet the needs of the market that it operates and
8 serves in, how it's able to also consider its employees and the
9 needs of its employees, we're looking at and want to consider
10 both qualitative and quantitative information on diversity. So
11 that would include self-identified diversity data; that would
12 include information on DEI policies and how the corporate
13 strategy of the business intersects with their DEI policies and
14 strategies as well.

15 We do currently consider diversity beyond gender,
16 specifically racial and ethnic diversity, in our proxy voting
17 decisions. But we do realize that in the current landscape,
18 there are limitations to our decision-making in that respect.
19 But we believe it's an important issue that we need to start
20 advancing with companies. And in doing that, it gives us an
21 opportunity, then, to open the door to dialogue and to really
22 have that company-specific context after we vote to understand
23 in more detail how a company is moving forward. That said, what
24 we are looking for is to try and fill those data gaps so that we
25 can really move forward with more systematic decision-making on
26 these issues.

27 MR. VINGOE: Okay, thank you for that.

28 The next area we want to explore is just how important

1 is diversity information. Like, when you speak with people
2 you'll have heard, "Oh, this is social engineering. It's a
3 broader social policy. You know, our approach is to view it as
4 fixed in materiality." But I think it's important to, you know,
5 confront that fundamental issue of the importance of diversity
6 information.

7 So, Sarah's going to lead on this one, followed by
8 Peter. And then we'll hear from JP Bureaud from a retail
9 perspective. So, I'll turn it to Sarah.

10 MS. KAPLAN: Thank you so much, and thanks for
11 including me today.

12 I think we just heard how important it is for
13 investors. So, I think that's very well established and I
14 would say around the world, there's increasing pressures that
15 are advanced. So, Canada's a little bit behind on this. And
16 it's just a matter of time before pressures like, you know,
17 BlackRock and State Street voting against the Chair of the
18 nominating committee if you don't have the diversity information
19 or achieve diversity goals. And so, it's going to happen in
20 Canada soon.

21 So I feel like there's a competitive need for us to
22 share this information. And I would say there's two important
23 functions of this information, when you talk about why it's
24 important. The first is, of course, for external stakeholders,
25 you know, the investors. And also, as Michela said, it's
26 an important social issue -- so all of us as citizens should care
27 about this. But second, when you do a good disclosure, you also
28 learn a lot internally. And it can help you figure out what

1 your diversity -- where you are, what your goal should be, and
2 what you're doing about it. And so there's both an internal and
3 an external reason that this information's important.

4 One of the challenges with the current approach is
5 that the disclosures are just buried somewhere in the
6 information disclosure and, therefore, it is very hard to tell
7 if the disclosures are quality disclosures. It's almost
8 impossible to do the comparisons that, Grant, you talked about.
9 And so I think we really have an opportunity to improve the ways
10 that the disclosures are made so that, both internally and
11 externally, we can have the information we need in order to make
12 progress.

13 You know, when they said do you want Form A or Form B,
14 I'm like, how about Form C, where we would actually not have
15 this information in a circular -- or in the circular, but also,
16 you know, developed into a database where if I wanted to compare
17 companies in the mining industry or companies in Ontario or
18 things like that -- smaller companies, larger companies -- I
19 would be able to do that either as a citizen, as an investor, or
20 whatever. And the current disclosure regime doesn't get us
21 there yet. I've got a couple of studies looking at this and
22 when you read the disclosures, you see some are not of the
23 highest quality, and there's no real enforcement of that. So I
24 think the information is so important that we need to do a
25 better job of getting it into the hands of people who want to be
26 able to see it. Thank you.

27 MR. VINGOE: Okay.

28 Peter, from your perspective, how important is it?

1 MR. DEY: Well, first, let me congratulate the OSC and
2 the team on this initiative. Regardless of the outcome of these
3 discussions, I think an event like this has significant impact
4 on the capital markets. And that's sort of my first point, is
5 that this roundtable is about strengthening diversity in our
6 capital markets.

7 And I'm going to recharacterize it. I think what
8 we're doing, at least from my perspective, is when I think about
9 the mandate of the OSC and I think about my experience as a
10 corporate director, I think the roundtable is more about
11 strengthening our capital markets through diversity, rather than
12 simply strengthening diversity. And that's not a distinction
13 without a difference. Because when you look at a diversity
14 initiative, I think you have to hold it up against its impact on
15 the capital markets. That's the only really effective way, I
16 think, to judge that sort of initiative.

17 And I want to make a similar point about the
18 corporation. And this goes back to my experience with
19 Sarah Kaplan in the report we wrote a couple of years ago. And
20 Sarah told me before we sat down the limitation period on our
21 being consistent has expired; so we can now disagree.

22 The purpose of the corporation.

23 The purpose of a corporation is to produce a product
24 or service. Corporations don't exist to produce diversity.
25 Diversity obviously is still an incredibly important component
26 of efficient capital markets because it contributes to the
27 ability of the corporation to produce a product or service. So
28 when I think about the questions we're asked to consider, I

1 think about proposals for strengthening diversity in this
2 context. And the context is to say: how does it contribute to a
3 corporation's ability to achieve its purpose?

4 The first question relates to the importance of
5 diversity information. I think diversity information will be as
6 important as the contribution a diversity initiative makes to
7 the operations of a corporation. I don't want to go on here.
8 I've got examples about how diversity can factor into corporate
9 decision-making.

10 But we can't lose sight of the legal obligation of
11 corporate decision-makers to make judgments in the best
12 interests of the company. And if the diversity theme or the
13 diversity component, wherever it is -- inboard composition, in
14 management composition, in consumer composition, in stakeholder
15 composition -- anyway,
16 wherever it is, you have to judge it as its contribution to
17 enabling the corporation to achieve its objective and to achieve
18 its purpose. And that is to produce a product or a service. So,
19 I think -- I could go on about how diversity factors into
20 corporate decision-making. And it's just so important that we
21 keep in mind that the responsibility of the board of directors
22 is to do what's in the best interests of the company.

23 I'm going to make one final comment. Corporate
24 directors are not just looking at financial sustainability. I
25 think corporations are citizens like you and me. And as a
26 citizen, the corporation has a responsibility to contribute to
27 the environment that has enabled the corporation to develop and
28 succeed. So, every decision has to bear in mind some of these
29 broader concerns, such as diversity and such as climate change.

1 So as a corporate director, I look at it as two
2 levels. I have to focus on the immediate impact on
3 the operations of the company, but then I have to think more
4 broadly and think about the broader impact, implication for the
5 environment, which has enabled the corporation to flourish.
6 Thank you.

7 MR. VINGOE: Okay, thanks for those comments. You
8 know, often we hear the objection that it, you know, might lead
9 to a so-called "check-the-box" approach. But what you've
10 described in terms of fundamentals, you know, takes us back to
11 the purpose of the corporation, the culture of a corporation in
12 acting in the best interests of the company. And it really
13 ultimately depends on the spirit with which the reforms are
14 embraced so that the value of diversity can really be brought
15 into the boardroom. So thank you for taking us to those
16 fundamentals.

17 Now I'd like to turn to JP to talk about what this
18 means for retail investors.

19 MR. BUREAUD: Thank you, Grant. And just want to echo
20 the comments of thanking the OSC and others for organizing the
21 roundtable and taking the initiative on diversity.

22 So, in terms of retail investors, obviously they're not
23 going to look at it necessarily the same way. They don't have
24 fiduciary responsibilities like institutional investors do. But
25 ultimately, they're interested in the same basic question.
26 They want information to help them make decisions as to how
27 they're going to cast their vote at AGMs or how they're going to
28 invest their hard-earned savings. So they're not that

1 dissimilar.

2 I think the bigger issue is the extent to which retail
3 investors do engage with the information. And I think some of
4 that does depend on which channel they're in. So self-directed
5 or do-it-yourself investors, they're more likely to search out
6 this kind of information, obviously, and make decisions based on
7 it. And I think that has implications for the form and how you
8 present the information.

9 For retail investors that are in one of the advisory
10 channels, we know from some of the work we're doing that they
11 place a great deal of reliance on their advisor. So, while they
12 may not use the information directly, it is going to be used by
13 others, like their advisor, who's going to try to better
14 identify issuers out there that are aligned with the preferences
15 of their clients. So, others are going to use it -- just like
16 advisory firms want to use this information to fulfill their
17 obligations as well.

18 The one little caveat, I think, that might be a little
19 bit different, clearly, there's the economic imperative.
20 They're going to use this information, hopefully, to select
21 issuers that they believe are going to generate better returns,
22 just like most investors will. But maybe for individual
23 investors, there's also an imperative of trying to align their
24 investment decisions with their social values and beliefs. And
25 I think as individuals, they're more prone to put more weight on
26 that factor as well. Not just the economic imperative but also,
27 you know, as an investor who wants to feel that they're making
28 good decisions not only for, you know, maximizing returns, but

1 also as members of a society where they have values, this
2 information is important to them because it facilitates that
3 ability for them to do that.

4 MR. VINGOE: Thank you. Thank you, JP.

5 So increasingly, we're seeing companies and society
6 generally acknowledging the importance of truth and reconciliation
7 and the need for representation where there is an intersection
8 with Indigenous rights, title, or interests. But based on
9 information that we have available, there are currently very few
10 Indigenous peoples on public company boards.

11 So, I want to turn to Geordie and then Joseph to help
12 us understand how important it is to require disclosure of the
13 representation of Indigenous peoples on boards and in executive
14 officer positions. So over to Geordie.

15 MR. HUNGERFORD: Thanks very much to the OSC and Grant
16 for having me here today. Merci. Mahsi' cho. Good morning. I recognize
17 and thank the Indigenous
18 stewards of the lands that we're on today.

19 Disclosure of Indigenous people is fundamentally
20 important. I see two key reasons. The first is that it's core
21 and material to business strategy and the ability for businesses
22 to execute in Canada. The second is that it's fundamental to
23 constitutional principles of Canada and reconciliation.

24 So, first, as to materiality, we've got more than 60%
25 of TSX companies that are in Indigenous-intensive industries --
26 i.e., industries that take place on Indigenous lands or have a
27 disproportionately high impact on Indigenous rights, title, and
28 interests. And that would include things like mining, energy --

1 including oil and gas -- telecommunications, transportation, and
2 the financial services that finance those particular businesses.
3 These industries need to work with Indigenous people and get
4 their free, prior, and informed consent on projects. And that's
5 simply the law of Canada now.

6 But are these businesses that have Indigenous
7 leadership in a better position to understand the complex issues
8 about getting this consent? I think so. Because we've seen
9 many issuers stumble when they don't have the capacity on
10 Indigenous issues. And we can think of the failed pipelines and
11 the failed mines. So we see evidence of the importance of
12 having Indigenous perspectives on the boards.

13 Secondly, Indigenous people are not stakeholders.
14 We're rights holders with Indigenous rights, titles, and
15 treaties that are acknowledged in the Constitution of Canada and
16 in Canadian law under the U.N. Declaration on the Rights of
17 Indigenous Peoples legislation. Indigenous people were
18 subjugated for 150 years and excluded from business and economic
19 development, where businesses here in Toronto instead took over
20 the development on Indigenous lands.

21 But now Canadians are beginning to understand the
22 truth of colonization and are embracing reconciliation. And the
23 Truth and Reconciliation Call to Action 92 calls on corporate
24 Canada to adopt the U.N. Declaration as a framework for
25 reconciliation and includes concepts like giving equal
26 opportunity to Indigenous people in the corporate sector,
27 ensuring that Indigenous communities gain long-term and
28 sustainable development from projects and developments, and

1 committing to meaningful consultation and building respectful
2 relationships. So having Indigenous people in leadership is
3 part of this reconciliation healing.

4 I'd also note that Indigenous investors are becoming
5 increasingly important in Canada. There's at least \$20 billion,
6 and it's growing by the month as Canada makes more settlements
7 with Indigenous nations. And so, the Indigenous people that own
8 these assets are expecting more of this kind of disclosure, and
9 their allies are as well. I'd also note that this kind of
10 reporting is part of a worldwide trend of human capital
11 reporting. And we've seen the ISSB go out for comments, asking
12 whether or not they should be focusing on human capital as their
13 next project.

14 Joseph?

15 MR. BASTIEN: Thank you, Geordie.

16 --- (Indigenous language.)

17 My name's Joseph Bastien. I'm a member of
18 Wiikwemkoong First Nation, up on beautiful Manitoulin Island.
19 I'd like to welcome you to our traditional Anishinabek
20 territories today in beautiful Toronto.

21 Thank you, Geordie, for your points.

22 I think too, kind of, the preamble there, it's great
23 that companies are recognizing the importance of truth and
24 reconciliation. But in terms of focusing on materiality, I'd
25 like to focus on the second part, which is the understanding of
26 the impact of Indigenous rights, title, and interest on a
27 company's operations and its ability to operate in Indigenous
28 territories. And this really gets to, you know, the point that

1 my new BFF Peter here made a couple of minutes ago, where he was
2 talking about the function of the corporation and the importance
3 of diversity in adding value to a corporation where Indigenous
4 representation on a board of directors provides that company
5 additional resources on its board to be able to identify
6 proactively Indigenous issues and to take into consideration the
7 risks and opportunities that come along with those.

8 So going to "is this important"? Yes. It's material for
9 investors when they're assessing a company's operations and, you
10 know, the board's ability to take into these considerations.
11 And so if we go to the first part, which is companies are taking
12 this into consideration, and the second part of the statement,
13 which was and we're seeing low representation of Indigenous
14 persons on boards, then what we're seeing is a disconnect
15 between what companies are actually saying and what they're
16 actually doing. And this is the kind of transparency that
17 Melanie was talking about earlier in her presentation, that with
18 this information, you can do, as an investor, a bit of that gap
19 analysis and comparative analysis and identify the companies
20 that are actually taking into consideration these issues and
21 operationalizing what needs to happen within the company,
22 including Indigenous representation, and others that are simply
23 saying "yes, Indigenous issues are important to us, but we
24 haven't actually taken any meaningful or substantive efforts to
25 incorporate Indigenous representation on our board of directors".

26 And this isn't unique to diversity disclosures. We
27 saw this with the NI 43-101 disclosures, where there was a gap
28 between what mining companies were saying on Indigenous rights,

1 title, and interest and what they were actually disclosing to
2 investors in their actual filings. So having these
3 representations available to investors to do that comparative
4 analysis -- and we'll get into how that should actually shake
5 out a little bit later -- but that is material to an investor's
6 ability to, you know, judge whether or not they want to invest
7 or not in a company. It's material to how a company, you know
8 -- the risks are assessed. And without that transparency, it's
9 just like having, you know, failed transparency on any other
10 issue. Like, how are you supposed to make a decision as either
11 an institutional or, you know, in Jean-Paul's case, retail
12 investor?

13 MR. VINGOE: Thanks for that.

14 We're going to turn to a different aspect of
15 diversity, persons with disabilities, including disabilities
16 that might not be as obvious. And we have Roger Casgrain, who's
17 both a business leader -- national business leader based in
18 Quebec, Casgrain & Co. -- but also, he's Chair of the Learning
19 Disabilities Association of Canada.

20 So, Roger, could you lead us in a discussion about the
21 benefits and challenges on disclosure related to persons with
22 disabilities, both visible and invisible?

23 MR. CASGRAIN: Thank you, Grant. With pleasure.

24 Good morning, everyone. I'm also the outgoing Chair
25 of the Institute of Learning Disabilities. So these are
26 individuals that have challenges in terms of learning, but also
27 associated disabilities.

28 What are we talking about? It's people that have

1 ADHD, dyslexia, dyscalculia, mild autism, and so on. This
2 invisible minority is 10 to 15% of the population. The Yale
3 Center estimates dyslexia as high as 20% of all individuals.
4 Through our various provincial, territorial, or regional
5 partners, we have some 55 service points.

6 So take a second; think about it. One person in six
7 has to take up this challenge every day. You probably have a
8 son, a daughter, a nephew, or yourself with a learning
9 challenge. You're not alone. There's roughly 6 million
10 Canadians. It's quite prevalent. And genetics play an
11 important part. It may skip a generation, but it will be a
12 recurring trend in families or individuals.

13 So my proposition today is how to enhance a better
14 decision-making process by including all stakeholders. In a
15 business, in a simplified way, you have revenues and costs. And
16 the end goal is to make money, with in mind stakeholders.

17 On the costs side, you want to minimize your risks.
18 These are individuals that had and are facing challenges since a
19 very young age. Malcolm Gladwell's written quite a bit about
20 them. They usually have a very strong backbone. They think
21 outside the box because they had to adapt and to survive. So it
22 is most desirable that these individuals be on boards and also
23 as senior management.

24 If you potentially exclude 15 to 20% of your human
25 resources, of your company's human resources when you're making
26 a decision, or your potential client base, you're perhaps making an
27 incomplete decision. So it's important that they take part in
28 these decisions.

1 Let's talk about the revenue side. How can somebody
2 being on a board in senior management enhance a company's
3 revenue? For my part, and at the LDA, we'd like to have
4 individuals like Waqas Baggia in our recent *Born to Be Me*,
5 featuring many Canadians. We believe they should be on our team
6 or on teams of corporations.

7 And why is that? Well, if you need to grow revenues,
8 think of the likes of Bill Gates; Steve Jobs; Elon Musk; William
9 Hewlett from Hewlett-Packard; Kevin O'Leary; Nelson Rockefeller;
10 Richard Branson; Bill Gross, founder of PIMCO; Craig Blankfein,
11 Goldman Sachs; Gary Cohn, Goldman Sachs; Tommy Hilfiger;
12 Ingvar Kamprad, founder of IKEA; David Neeleman, founder of
13 WestJet, JetBlue; and JP Léger, just recently sold St-Hubert
14 BBQ. So the idea is they're an important part of society. They
15 can contribute in an important way both from the revenue
16 perspective, and also from a cost perspective in minimizing risk.
17 And we believe they should be part of the decision-making
18 process. Thank you.

19 MR. VINGOE: Thank you, Roger.

20 And I'm looking forward, time permitting at the end,
21 to have more of a dialogue related to this aspect of diversity.

22 I'm now just mainly mindful of time. You know,
23 there's so much that we need to address on each of these issues.
24 And I want to make sure every area is covered in our limited
25 time.

26 So I'm going to turn back to Kelly to lead a
27 discussion on how investors are currently accessing diversity
28 information regarding organization strategies and objectives in

1 this important area. You know, aside from reviewing proxy
2 circulars, what are the other methods, and what other
3 investor-driven initiatives are being undertaken to encourage
4 corporate diversity beyond women? So over to Kelly.

5 And I'm just mindful of time; so I'll ask the
6 panelists to probably accelerate so I don't shortchange Naizam.

7 MS. GORMAN: I won't take that personally, Grant.

8 Investors can access this information in various ways
9 outside of the proxy circular. There's issues with that, which
10 I'm going to quickly highlight. So investors can look at
11 websites; they can look at the bios of directors on websites;
12 they can subscribe to ISS and GL reports; they can subscribe to
13 the Board Games report that The Globe and Mail puts together
14 that has diversity information in there. And for large
15 institutional shareholders, which you can see the issues that
16 this is information symmetry for retail investors, they can do
17 shareholder engagement. So they can actually probe and ask more
18 in-depth, you know, questions around objective strategies and
19 data.

20 The issue is when people are looking at these various
21 ways to try to ascertain all of this information, it's not
22 standardized; it's not consistent. And so people that are
23 looking at that information, all investors have to make
24 assumptions. And making assumptions can lead to coming up with
25 information that isn't complete. It's not full, and it's not
26 supporting informed investment decisions.

27 So that's why this initiative is so important, because
28 what you want to see is standardized reporting for all investors

1 in this area. Because, as I say, with the retail investors,
2 they don't have the same access as institutional investors. And
3 it's very clear, for many reasons that were articulated today,
4 that this disclosure is important to investors.

5 What I would say is we're also seeing other
6 initiatives in this space where, again, the diversity disclosure
7 is being sought out through various shareholder proposals. So,
8 for example, we've seen for a lot of the larger financial
9 institutions, they get the bulk of the shareholder proposals
10 every year. And there were two shareholder proposals for racial
11 equity audits that were on the ballot this year. Three
12 financial institutions have already said that they are going to
13 undertake racial equity audits.

14 But what I thought was very interesting, when you
15 actually looked at the voting results this year, the two
16 financial institutions that had it on the ballot, the proxy
17 advisors did not support the racial equity audit. But the
18 actual voting results, over 30% of the shareholders had voted in
19 support of this. So that tells you that this type of
20 information is being demanded by investors to make informed
21 investment decisions.

22 MR. VINGOE: Thank you, Kelly.

23 Now I'll turn to Melanie and then Michela.

24 MS. ADAMS: Thanks very much.

25 And I'll keep it short by saying that I agree with
26 what Kelly said 100%. It's a lot of work to go through
27 all of the materials that are put out by a company to get the
28 data you need. And a lot of times, it's just not available.

1 It's just not there.

2 The other part of the question, maybe I'll address
3 that: what other investor-driven initiatives are being
4 Undertaken? And just highlight a few that we've been
5 participating in, one is the Canadian investor club, the
6 100% Canadian investor club, which was started for gender
7 diversity and promoting that. And this is actually run largely
8 by BCI, who's done a really good job of running this -- but it's informal.
9 It's ad hoc. And it's up to us to get
10 together and do it on our own. And so that's one that's, you
11 know, expanded beyond gender as well most recently.

12 And then there's also the RIA. The Responsible
13 Investment Association has a statement on diversity. It's more
14 investment or education-type focused events around that. So
15 there are also larger organizations that have a larger ESG
16 purview. But just specifically focused on diversity, there are
17 not a lot that are really pushing for that.

18 And I'd just maybe add to one of Kelly's comments as
19 well, in terms of where are we going to get this information.
20 If we go on the website, if we look at their policies, one of
21 the most important places for us is through engagement with
22 companies. But if you are sitting in a room and you're talking
23 to the board and the board has committed to this and they have
24 told you this, you need to see follow-through. And that's why
25 we need that data.

26 We need to see how what the board tells us they're
27 going to do or what they tell us their beliefs are and their
28 policies are, how does that actually play through? We don't

1 want to sit and wait for a controversy to happen at an
2 organization before we get the information that we need to be
3 able to assess whether we think they're doing a good enough job
4 to manage these types of risks.

5 MR. VINGOE: Thank you.

6 Michela?

7 MS. GREGORY: Just continuing on from Melanie's point
8 right there, I think the engagement piece is one of the most
9 effective ways for us to gain this information. It's something
10 that we all do on a solo basis in our meetings with companies.
11 But many times, investors will align in groups to have these
12 kinds of discussions with companies. And definitely, the
13 follow-up is missing. It's harder to do that on consistent
14 basis and receive the kind of quantitative information that we
15 would need to be able to then align the business' intentions
16 with the actual outcomes over time. And that's definitely an
17 outstanding gap for us.

18 MR. VINGOE: Thank you very much.

19 So now I want to turn to the issuer perspective and
20 the practices that issuers are currently undertaking to capture
21 diversity information within their organizations and the
22 challenges in gathering data and providing disclosure from this
23 standpoint. And Nils will kick this off.

24 MR. ENGELSTAD: Thanks so much, Grant, and thank you
25 for the opportunity to participate.

26 Hopefully, I'll give a bit of a practical issuer
27 perspective. And I think I'll address this in two parts, which
28 is the actual process of capturing data itself. Whether through

1 employee engagement surveys, whether on standalone surveys,
2 whether it's part of employee onboarding, we consider that about
3 5% of -- the mechanics of that is about 5% of the work. The
4 really hard part is explaining why we do it, how it promotes
5 diversity, including the cultural, ethical, and practical
6 considerations around how we're doing the data gathering.

7 Our employee brand is Thrive With Us, which we think
8 captures and embodies the reasoning behind it. But it still
9 requires us to do significant education and trust-building with
10 employees. Employees need to believe in the integrity and
11 confidentiality of the process, as well as our organization's
12 commitment to real change resulting from that data and that
13 their participation isn't requested merely to fulfill a
14 corporate obligation or to make our organization look good. I
15 think that's sometimes missed.

16 Issues around diversity reflect the lived reality of
17 our employees and our colleagues. Recent political and social
18 events -- COVID, George Floyd, discovery of unmarked graves at
19 residential schools, and the list goes on -- has a real impact
20 on the expectations of our employees and has the potential to
21 impact their willingness to participate and provide their data.
22 And I think that's critical.

23 And so the real heavy lifting for us is gaining
24 employee trust, which means real management and leadership
25 engagement. It means humility and understanding the issues and
26 meaningfully communicating, participating in these types of
27 efforts. And most importantly at the C-suite level, it means
28 resourcing: head count advisors, actual effort.

1 Our experience has been that the response rate at
2 first may be low. But the way to get the response rate up is
3 demonstrable actions taken that are tied to DE&I and building
4 that culture of trust. Where does it get tricky? We're an
5 international mining company and we may sometimes forget that what
6 works well in Canada doesn't work elsewhere.

7 Employees may not have the same protections, feel the
8 same level of comfort self-disclosing. Local customs and law
9 may not provide the same protections. And for us, employee
10 safety and well-being comes first.

11 I think collecting data at the board and executive
12 level is actually the low-hanging fruit. Self disclosure, of
13 course, remains voluntary. And, you know, that said, it is a
14 small group of individuals, and I know we don't always get it
15 right. It may be hard for individuals who do not necessarily
16 want to self-disclose to do so when the number of surveys are
17 15, 20, 25. Again, it comes down to trust and culture. The
18 quality of our corporate disclosure will reflect the quality of
19 our data, which in turn reflects the quality of our corporate
20 trust and culture engaged individuals.

21 MR. VINGOE: Okay. Thank you, Nils.

22 So now we'll hear from Gigi, Michael, and Rhonda.

23 MS. DAWE: Great, thank you. Thank you for having me
24 here.

25 I'm going to actually continue on with Nil's comments
26 about why. I think it's very important. I'm going to speak
27 more to the board level and information that I'm hearing and
28 that whole area of why is this material to each company, you

1 know, to the company that I'm sitting on the board of. Why is
2 it material to our corporate strategy? That needs to be
3 understood in order for the board to agree to want to collect
4 this information and gather this information. I think that
5 that's a very big challenge.

6 Why does this strengthen capital markets? Or can you
7 strengthen capital markets through diversity? Those are the
8 questions that I'm hearing quite often from directors. And, you
9 know, they need more of an explanation of that. The why
10 extends, which is quite interesting to -- you know, we read this
11 proposal, and it says that investors want this information and
12 that's why we need to gather it. I get a bit concerned that
13 that ties it to compliance versus really understanding why.

14 But, you know, people are saying investors aren't
15 asking us for this. They're asking us around do we have the
16 experience, do we have to the expertise at the table, who do we
17 have at the table. But they don't feel they're being asked,
18 necessarily, for the information around diversity. And, you
19 know, it's causing some confusion around the proposal overall,
20 around what's happening with that. I believe with that, some
21 real education is necessary at that level as well as at employee
22 level to understand that whole why: Why we're doing this, what
23 it means, what is the significance of this, and particularly
24 what's the significance of this to you sitting at that board
25 table to that particular board. Thank you.

26 MR. VINGOE: Okay, thank you.

27 Michael?

28 MR. HOLDER: I think what is really interesting about

1 this particular question is that each piece of the puzzle is not
2 in isolation. It's a bit of a circle, in that if you have good
3 training and EDI -- and I think EDI training is very important
4 at all levels so that people actually understand the real why.

5 One, it's good for us as a society. It's good for the
6 company as an enterprise; it's important for investors and also
7 returns; and this will help us understand better how we're
8 actually doing as a company. And that training, also combined
9 with it being voluntary and aggregated at a level that can
10 protect individuals who may have invisible minority statuses,
11 will allow people to feel comfortable actually contributing,
12 finally getting that data and sharing it with them so that they
13 can see how their organization is progressing on things that are
14 important to many, if not all, of the people in that
15 organization. Report back to the board, start the cycle again.
16 And I think that's a key piece to how you have an ecosystem that
17 will ultimately help move this particular issue forward.

18 MR. VINGOE: Okay, thank you.

19 Rhonda?

20 MS. GOLDBERG: Thank you, Grant, and thank you, Naizam
21 and Jo-Anne and OSC staff for the opportunity.

22 IGM believes that diversity, equity, and inclusion
23 strengthens our business at all levels. And there are a number
24 of practices that IGM and its major subsidiaries are currently
25 undertaking to capture diversity information and promote
26 diversity at all levels of our organization. Increasing the
27 representation of women and black, Indigenous, and other
28 racialized communities in our leadership is a priority in our

1 corporate strategy.

2 So, what do we actually do throughout our organization?
3 Because, of course, we all say it. And then how do we put it
4 into practice, and, importantly, how do we measure it?

5 First, the board has adopted a board and senior
6 management Diversity, Equity, and Inclusion Policy. And this
7 policy includes provisions relating to the process used to
8 identify and evaluate individuals for both board and senior
9 management roles. And this is assessed on an annual basis by
10 the IGM governance committee.

11 Next, we have adopted targets at senior leadership and
12 overall workforce levels to promote corporate diversity and,
13 most importantly, a pipeline for future leadership. And we
14 report the progress of these targets annually in our IGM
15 Sustainability Report. So there is that ability, as we've
16 talked about, to actually track and ascertain how we're doing.

17 Our CEOs and their direct reports have specific
18 objectives related to DE&I that is tied to their compensation.
19 We also, of course, have our employees voluntarily
20 self-identify. And, again, we measure the progress of these
21 targets in our public disclosures, our IGM Sustainability
22 Report. DE&I commitments and actions are embedded in our
23 employee programs, including annual talent reviews and
24 succession management processes, as well as pay equity reviews
25 and our compensation practices and programs.

26 In 2021, we created a new role for Vice President of
27 DE&I to accelerate IGM's mandate to integrate DE&I into all
28 business and people practices. We have DE&I executive councils

1 and business councils. And these are made up of the most senior
2 members of our organization -- including the CEOs of IGM,
3 IG Wealth Management, Mackenzie Investments -- where we talk
4 about and put into practice our key processes to achieve our
5 targets.

6 Finally, I really want to acknowledge that we have
7 volunteer employee-led business resource groups. We call these
8 BRGs. And they were created to foster an inclusive workplace
9 and focus on career development, networking, and business
10 impact. I'm really proud to say I'm the executive sponsor of
11 the Diverse Abilities BRG. And we have a number of other
12 groups, including the Black BRG, Indigenous BRG, Women BRG,
13 Pan-Asian BRG, and 2SLGBTQ+ BRG.

14 There is, as Nils noted, a real challenge with
15 self-identification initially when we introduced it. This is
16 really about, as you've noted, education and trust and culture.
17 We currently have about 74% of our employees self-identify.
18 That's good, but we can do better. And I think that really is
19 the ongoing discussion of what we're doing with this information
20 and how we believe it really advances our business outcomes
21 across IGM and its subsidiaries.

22 MR. VINGOE: Thank you very much, Rhonda.

23 So we're now going to shift to our next theme, which
24 is really delving into the practical differences and
25 underpinning of the differences between Form A and Form B and
26 Policy A and Policy B. And, you know, the fundamental difference,
27 in a way, is that Form A doesn't prescribe the use of particular
28 designated groups beyond women. So, voluntarily

1 organizations, issuers can, you know, disclose as they wish in
2 relation to their strategy. But it doesn't allow for
3 comparability, and it doesn't give weight to, you know, these
4 abiding categories of diversity that reflect Canadian society
5 that are included in the approach in Form B.

6 So the question, the fundamental question that'll have
7 to be confronted by the CSA is: Do stakeholders need consistent
8 information regarding board representation and senior executive
9 officers regarding these defined groups, or is the
10 more optional approach preferable? And, you know, there's
11 really a question in our minds about how the optional approach
12 in Form A could be enforceable. So, I'd like to get perspectives
13 from some of our panelists, led by Michela, on this.

14 MS. GREGORY: To pick up on your note, Grant, around
15 the idea of the consistency and the need for consistent
16 information, from our perspective, that really gets to the heart
17 of the discourse around Form B and Form A. Useful information,
18 comparable information, consistent information that will help us
19 in our investment decision-making. And from that vantage point,
20 and I guess as aligned with some of my earlier comments, we feel
21 Form B will better meet those needs for the kind of data that we
22 need right now that we're unable to access in a consistent way.

23 I think the limitation with the Form A approach in
24 that sense is that because it relies on issuers to define
25 identified groups themselves and only upon such definition is
26 disclosure then required, there is a question, I think, around
27 whether or not that will provide us with more information than
28 what we are currently dealt with right now. And I think we've

1 discussed some of the limitations with the status quo as it is.
2 I think one of the features that we can consider with Form B to
3 afford issuers that level of flexibility that is at the core of
4 Form A -- and I think it already is in some respects embedded in
5 the Form B approach -- is that there's no limitation there to
6 provide additional corporate context and disclosure. If you
7 think that there is something that is missing as proposed under
8 Form B, the designated groups and the requirements would not
9 capture, then that for us is very important and useful
10 information that we would want to know. And that would factor
11 into our decision-making process as well. But at least the
12 Form B option would give us that baseline standardized
13 information that we have and that can be complemented on a
14 company-specific basis.

15 One of the other things, though, that I would flag
16 that I think is good to see in the Form A approach that would
17 potentially be helpful as well to consider if we are thinking
18 about maybe not just a binary Form A/Form B approach is the
19 thinking around executive officer appointments and the need for
20 us to really be able to then understand how companies' diversity
21 policies also account for executive officer appointments as
22 well.

23 MR. VINGOE: Peter, how would you address the need for
24 or consider how important consistent information is so that
25 those designated groups are required to be disclosed? Or do you
26 favour a more voluntary approach for issuers?

27 MR. DEY: Well, I'm trying to get my head around
28 whatever the policy imperative is here. Will disclosure of a

1 particular groups contribute to those members of those groups
2 being included more and more in the corporations because
3 corporations that have not included these groups are getting
4 pressed by investors and other stakeholders to become more
5 current? To me, the real measure of what I would be looking for
6 is: is the corporation really committed to diversity? And if
7 it's really committed to diversity, it should be drawing from
8 the deepest possible pool of talent available. And that should
9 be reflected in its board of directors, in its management team,
10 and so on. And so that's what I look at.

11 I worry that this debate between A and B and whether
12 particular groups need to be disclosed, that we may be losing
13 sight of the broader question, and that is the contribution of
14 this type of disclosure to the strength of the capital markets
15 and the ability of the markets to hold companies to account for
16 their commitment to diversity and whether they are practicing
17 it. One way to achieve some consistency issuer-to-issuer is to
18 make the disclosure requirement more general and then have a
19 very rigorous enforcement process.

20 But you can tell I have a two-barrel test for any
21 diversity initiative. One, does it strengthen the capital
22 markets? And, two, does it enable the corporation to achieve
23 its purpose? And I don't really have an answer. I'm worried
24 that the debate between A and B is losing sight of the broader
25 question.

26 MR. VINGOE: Thanks for that perspective.

27 And JP.

28 MR. BUREAUD: Thank you, Grant.

1 So maybe I'll actually just respond to Peter. I think
2 we have to remind ourselves that this issue is for the benefit
3 of investors. And so we need to make sure -- and I think the
4 emphasis should be and the priority should be on making sure
5 that the disclosure is as useful, as easy to understand, easy to
6 compare for investors. You know, I still struggle a little bit
7 -- and I take Nil's point about the real challenge, I think, for
8 issuers is going to explain why this information is needed. But
9 I don't think that challenge is -- you know, we can surmount
10 that challenge with more education, more time, and everything
11 else. So I really think the focus has to be less on, you know,
12 how much flexibility do we provide issuers. Because I think
13 what we're going to end up with is, you know, information that's
14 very difficult to compare, almost impenetrable.

15 And there's all kinds of issues. I mean, they may
16 disclose it one year, not the next year. They may disclose it
17 in a narrative form one year. They may do it in a -- so I don't
18 want to belabour the point. But I think if you look at one of
19 the main advantages of Form B is that it provides information
20 that's going to be consistent year to year, that's easy to
21 follow, easy to understand.

22 In terms of issues around people may not be
23 comfortable disclosing, -- it is based on voluntary
24 disclosure and I think any concerns about potentially
25 misleading information could be dealt with just by having a
26 caveat. This is not, you know, necessarily -- this is based on
27 self-disclosure, and some people may not self-disclose. And so
28 I just want to make those points.

1 In terms of the enforceability question, one of the
2 more fundamental issues I have with the Form A approach is that
3 there is no positive obligation on issuers to do any of this.
4 So, you know, if I were advising a corporate client and they
5 asked me do I have to do this, I'd say no. And I think that's a
6 real issue we have to think about and consider.

7 You know, I also think that the Form B approach is --
8 I realize there's going to be challenge in building that trust
9 and educating people as to why, but it's a really
10 straightforward approach. And, in fact, in some ways I think it
11 might be easier than -- actually, for those issuers that do
12 generally want to turn their mind and focus on these issues,
13 it's a lot of work to start thinking about what are the
14 designated groups or identified groups, how are we going to
15 define them, you know, how are we going to sustain this data
16 year to year to year and provide consistency and everything
17 else. So, for a lot of reasons, I think the Form B approach is
18 the more straightforward, the more useful for investors over the
19 long term. So I'll just stop there.

20 MR. VINGOE: Okay, thank you.

21 Melanie?

22 MS. ADAMS: Yeah, thanks.

23 I agree that, you know, between Form A and Form B,
24 what we would prefer is Form B. What we want as investors is
25 consistent data. And the reason we want consistent data is --
26 there's a few different specific reasons.

27 JP just spoke about, you know, helping companies or
28 companies, you know, thinking about this and how they're going

1 to disclose. We don't want the companies we're invested in
2 struggling. We want to give companies clear instruction about
3 what we want. They often are asking us in the ESG space, what
4 do you want? We want them to clearly understand.

5 And we also want to be able to clearly compare them to
6 their peers and see how they're doing on this space. And if the
7 data's not consistent, there's really no way to do that easily.
8 We also want -- and Sarah spoke to this earlier -- we want to be
9 able to do more studies on this. We want to more directly
10 understand the links to risk and return and what that means as
11 investors and what that should be looking for and what we should
12 be pushing for from the companies.

13 And finally, reporting. We haven't spoken about that
14 today, but there is a huge initiative, especially right now in
15 Europe, to report on ESG metrics. And as an institutional
16 investor, we also have our own clients that we need to report
17 out on. And if we don't have consistent data on how our
18 portfolios look in terms of diversity, we can't report out to
19 our investors on that. And it adds a lot of complexity, you
20 know, from that particular lens. So we definitely lean towards
21 the consistent approach.

22 MR. VINGOE: Okay, thank you.

23 Nils?

24 MR. ENGELSTAD: Looking at it from a slightly
25 different angle -- and I realize this is not the question that
26 was posed, but asking is it helpful for issuers to have
27 consistent across-the-board representation data on specific
28 defined groups. Does it help issuers evaluate and measure

1 progress as far as DE&I initiatives are concerned on a
2 comparable basis? If we are, for example, going to tie progress
3 to corporate presentation, then we need to see the performance
4 of our peer groups. And in that instance, I think Form B is
5 very helpful. And it doesn't preclude you from adding a slew of
6 narrative, additional explanation. Thank you.

7 MR. VINGOE: And to wrap up on this one, Sarah.

8 MS. KAPLAN: Thank you.

9 I'll just add to these excellent points, you know, the
10 question of enforcement. There is no enforcement now. There's
11 no regulatory review of these that says you did a good job or
12 didn't do a good job. And so, the only way we're going to get
13 enforcement is from investors and other stakeholders. And
14 therefore, you need really clear information to make that
15 happen. And that really means that Form B, at a minimum, is
16 what would be necessary.

17 It's also appealing because it's aligned with the CBCA
18 with the important addition of the LGBTQ community, which I
19 think is a really great addition. And I anticipate the CBCA
20 will probably go in that direction as well.

21 But I want to pick up on this point that a lot of
22 people are talking about self-disclosure. We still live in a
23 society, even in Canada, even though we pride ourselves on
24 diversity, where many people, especially with different kinds of
25 disabilities, maybe who are transgender, non-binary, and other
26 aspects, may not want to disclose their identities. And so my
27 view is that Form B and the requirement of that could be part of
28 an important cultural shift that would support organizations in

1 explaining to their people why this is so important and creating
2 a culture of more inclusiveness and openness about these issues.

3 So I see that the regulation has an important role in
4 actually creating the environment that, you know, Nils and
5 Rhonda and Gigi and others were talking about that's so
6 necessary if we're going to have good reporting. So I think for
7 that reason, Form B has even an additional advantage.

8 MR. VINGOE: Okay, thank you.

9 So I'm going to, kind of, compress the next few
10 questions in the interests of time. And, you know, the focus of
11 the questions, really, is the need for distinct information
12 about particular groups: LGBTQ2SI+, persons with disabilities,
13 the needs of Indigenous peoples. And also with the speakers on
14 these points, I'd be grateful if you could focus on the
15 importance of the distinct information.

16 But do you think as well there are any compromises or
17 alternatives that we should be considering overall on the
18 Form A/Form B area or controversy?

19 So with that, I'll start with Michael.

20 MR. HOLDER: Thank you.

21 I have to say that, you know, when, first of all,
22 considering the question of, you know, Form A/Form B -- and it's
23 been raised perhaps there should be a Form C -- the one thing I
24 will say -- and I apologize for just revisiting this particular
25 part -- is that we have in financial reporting, there's a desire for
26 standardization so you can compare one company versus another
27 company. When you do a review of companies that, you know,
28 consolidate their business and the reporting at one level, you

1 know, you need and you really desire to have -- especially if
2 you're trying to compare one type of industry to another -- you
3 really need that kind of granularity. That's why a lot of
4 companies do non-GAAP reporting as well as GAAP reporting,
5 financial reporting.

6 That is, I think, the difference between Form A and
7 Form B. Form B is GAAP. Form A can be the stuff that doesn't
8 conform to Form B. So combining the two creates something that
9 actually gives issuers the actual flexibility that they need to
10 tell their own story in their own way but also allows for
11 investors to compare apples to apples.

12 But on some of the other more specific issues,
13 especially the LGBTQ+ community and disclosing membership in
14 that toward representation of that community, at first I sat
15 there, and I went through a personal journey. I think everyone,
16 when looking at these issues, should do a personal journey.
17 Look inside, look at your own lived experience. But then go
18 beyond that and actually start to, if you're not a member of
19 that particular community, go out and seek out other feedback.

20 And I went through a journey where I actually did
21 that, and I talked to a lot of people who had different lived
22 experiences. And what I found was, with no exceptions, there
23 was a desire to share that information. But there was also a
24 desire for others to have the freedom to not share that
25 information if they don't want to.

26 And that's a key piece with this disclosure, is that
27 it is not mandatory on individuals to contribute, but it is
28 mandatory for those who do choose to disclose it, for it to be

1 disclosed. And I think that that's really important, to protect
2 individuals' privacy but also to achieve the ultimate objective
3 of meeting what I think is Canada's superpower, which is
4 diversity. We attract people from all over the world. My
5 parents came to Canada, chose Canada. They could have gone to
6 England, the United States, or anywhere else in the world. They
7 chose Canada. And that, I hope, will demonstrate that there is
8 a net positive to do that.

9 But government is one thing; immigration policy is one
10 thing. Having it reflected and demonstrated that it's reflected
11 throughout society and all aspects: employment opportunities,
12 professional opportunities, and, frankly, freedom of choice.
13 All those things are important, and it's part of an entire
14 integrated mosaic.

15 Gigi?

16 MS. DAWE: Wow. I don't think I could've said that
17 better. Just, you know, small amount to add to this.

18 You can't, obviously, disagree with the consistency.
19 Comparability of information is vital to any type of disclosure,
20 and it's really necessary. The only thing I just wanted to add
21 is, you know, ensuring that the narrative is robust and well
22 done is very important as well. I believe that narrative
23 provides context. But I think it actually forces those who are
24 doing the work on it to think about why they are following
25 through with this and why it is significant to their
26 organization. So that would be the only comment I have to that.

27 MS. GOLDBERG: I don't have very much to add except,
28 you know, we are subject to the CBCA and applicable securities

1 laws. So the disclosure that we provide does generally align
2 already with Form B. I've talked about the board and senior
3 management DE&I policy. Diversity under this policy already
4 includes a consideration of the 2SLGBTQ+ community. You know,
5 so for us, this would not be problematic to have this included
6 in Form B.

7 But as Gigi and Michael noted, I would just add again
8 the importance of the narrative -- and I think it goes back to
9 something Sarah said very early on with respect to not only the
10 outward disclosure and what that provides to investors, but what
11 it provides to employees and the company internally. And here
12 again, the narrative -- and increasingly each year as we build
13 on that narrative in our own public disclosures, it really has
14 added value for us as an executive and for our employees to
15 really understand where we're going and the value that diversity
16 creates for our businesses. So I would really encourage that
17 piece of it to continue to grow with flexibility for issuers.

18 MR. VINGOE: Okay, thank you.

19 Roger, over to you.

20 MR. CASGRAIN: Thank you.

21 Couple of points. First of all, should, for this
22 invisible minority, consider not mandated quotas for board or
23 high-level executives. We actually think that the mandated
24 targeting is more appropriate than disclosing it. There is, of
25 course, stigma still in society regarding people that have
26 learning challenges, in many ways. It's immensely personal to
27 actually share that. So we favour a group approach, if you're
28 disclosing, versus an individual approach.

1 We would add the following. These guidelines, given
2 that society in general is progressing as we're all learning
3 these new ways to deal with the various stakeholders, that
4 perhaps to make a note, the OSC, to have a compulsory review
5 every five years on these OSC guidelines, just to make sure that
6 they're up to date, whether it would be with international norms
7 or with the way Canadian society evolves.

8 Those would be our thoughts. Thank you.

9 MR. VINGOE: Thank you.

10 I'll turn to Joseph now.

11 MR. BASTIEN: Thank you.

12 There's a part of me that really wants to do, like, a
13 full-throated defence of Form A, just to spice things up and
14 wake the room up a little bit. But I'm kind of thinking about
15 this in terms of, you know, Form B as a floor, not a ceiling.
16 You know, this is the minimum that we're expecting companies to
17 disclose. And if they or their shareholders want them to
18 disclose more, they can make that request. We really would've
19 liked, as Dr. Kaplan said, a Form C. Something that would've
20 actually had enhanced disclosures.

21 And really, one of the key issues that came out of
22 there was this idea of Indigenous as a catch-all and how that
23 affects the idea of materiality. Because within that Indigenous
24 catchment, you have First Nations, Métis, and Inuit with
25 distinct geographies, distinct interests, distinct cultures and
26 values. And so if a company is saying, "Hey, we're going to get
27 Indigenous representation on our board" and they're just looking
28 for any Indigenous person, then, quite frankly, that's at best,

1 woefully ill-informed and at worst, cynical.

2 And in terms of where Melanie went with comparability,
3 looking at two different, let's say, mining companies where you
4 have Indigenous representation on boards, you know, a company
5 that goes through the effort to actually find, you know,
6 representative representation of an Indigenous person, a First
7 Nations person on their board versus another who just finds
8 somebody, one actually contributes to the ability of that
9 company to, you know, address and, you know, recognize
10 Indigenous rights, title, interest, issues, and opportunities.
11 And we kind of move away from that pan-Indigenous point. You
12 know, you wouldn't have a publicly-traded company that's
13 operating in Haida Gwaii with a very distinct culture and saying
14 "We just need an Indigenous person, and we found an Innu guy from
15 Labrador and that's good enough. And they're going to be able
16 to provide a perspective that's valuable to us as a company."

17 You know, talking with Geordie this morning, he's
18 like, "Well, you know, maybe they'll bring empathy to this." And
19 I think empathy is not something that's distinct to Indigenous
20 people. What you're looking for is that cultural and, you know,
21 community experience, knowledge, to bring that value to a
22 company to understand how to navigate those waters of those
23 Indigenous issues that are material to investors.

24 MR. VINGOE: Thank you.

25 Geordie, do you want to, I don't know, add to this?

26 MR. HUNGERFORD: Yeah. I just would add that, you
27 know, with Form A, I just don't think that -- that'll just lead
28 to the status quo, for the most part, not result in real change.

1 And discretion will lead to lack of reporting.

2 There's been some talk about, you know, the difficulty
3 of determining whether or not somebody's Indigenous. I think
4 that that's not really that grey of an area. I mean, most
5 people have cards like this. A Metis card, a land claim card, or in
6 this case, a status card.

7 I think in terms of amalgamating or combining
8 disclosure with other groups, Indigenous people with other
9 groups, I don't think that that'll result in real change. The
10 groups are very different. They offer different insights for
11 the business. And, you know, we've seen in the U.S. when you
12 combine diversity into one bucket, the subgroups that are
13 best positioned are the ones that benefit. So this'll be
14 subgroups that have better relationship networks in large
15 cities, better access to education, and I don't think it'll be
16 Indigenous people.

17 Combined disclosure will also not solve the policy
18 reasons I spoke about earlier for having Indigenous disclosure.
19 Investors want to see if companies have the leadership capacity
20 and understanding of Indigenous issues. And that can be
21 material.

22 I also think that, you know, combining disclosure
23 would be a slap to the face of Indigenous people as
24 constitutionally-recognized rights, title, and interest holders.
25 It would be kind of like saying well, French and Francophone
26 rights are nice, but, you know, it's the same as any other
27 language group. I don't think that would go over very well in a
28 Canadian context.

1 And I like the idea of a Form C. I like the idea of
2 Roger's five-year review as well. Thank you.''''' --- Break
3 taken at 10:31 a.m.

4 --- Resuming at 10:51 a.m.

5 ''-''''-CONTINUED PANEL DISCUSSION AND FINAL REMARKS FROM
6 PANELISTS:

7 MR. KANJI: Okay, so as I was saying, we wanted to really get to
8 audience questions, both in-person and virtual. So our
9 panelists have kindly agreed to combine a discussion of our last
10 two themes with the one minute each of them was going to get to

1 provide their final remarks. So I'm just going to very briefly
2 introduce the last two themes, and then I'm going to ask,
3 starting from Gigi, you know, down for all the panelists to
4 spend a couple of minutes, two to three minutes, providing their
5 perspectives on those two themes to the extent they would like
6 to, but also whatever they wanted to say in their final remarks.
7 And I'm hoping there's going to be more, even further engagement
8 among panel members as they comment on each other's remarks.

9 So the last two themes we are going to get to, they
10 build on the earlier discussion where first, you know, what's
11 going on in corporate law and internationally and in the market.
12 The most significant change, obviously, that has already been
13 Raised has been the amendments to the CBCA that Form B, to a great
14 extent, is substantially similar to.

15 And so one of the key questions surrounding that is to
16 what extent should securities law align itself with the
17 requirements of the CBCA, and what impact would that have on
18 issuers and investors not to have that alignment? What impact
19 have the CBCA requirements had to date on those
20 underrepresented groups? And so hearing those perspectives on that issue
21 would
22 be really useful. On the market side, obviously the role of
23 proxy advisors has come up. So you know, hearing more about
24 that perspective, the impact of proxy advisors and other market
25 forces on diversity disclosure and diversity in the boardroom
26 and in senior management. And then, finally, there are
27 international developments that appear to be creating a trend
28 towards increased diversity disclosure. So, hearing that

1 perspective from some of our panel members.

2 The last theme was going to be in the one area, where
3 as Grant noted, there is actually alignment all across the CSA,
4 which is on targets and term limits, which the CSA's current
5 approach has been that a one-size-fits-all approach would not
6 work in Canada. So it's really disclosure-oriented, disclosure
7 by the nomination process and how diversity is considered in
8 board nomination. So, you know, we will hear from our panelists
9 on that theme also.

10 So with that, I'll pass it on to Gigi to start.

11

12 MS. DAWE: Okay, thank you.

13 I am going to talk just a bit about the importance of
14 the CSA aligning with CBCA. And I'm really just going to take a
15 pragmatic approach to this. I think it can be used as a model.
16 I think it is a model that's out there and that's being used.
17 It's there. It's done. It's, you know, established in federal
18 law, being utilized by 29% of companies, plus companies that are
19 voluntarily following through with it.

20 It's voluntary disclosure but, you know, mandatory for
21 voluntary disclosure in terms of self-identification advocates
22 the narrative. I don't see it as going as far as Form B. And I
23 think there's less disclosure, less to worry about with CBCA.
24 So I'm just going to say why would we not align with CBCA? Why
25 would we not be using that as a model would be a question I
26 have. So thank you.

27 MR. ENGELSTAD: Thank you.

1 I'll touch briefly on board renewal and some of the
2 anecdotal shareholder feedback that we perhaps receive. I mean,
3 on term limits broadly, we are not hearing that our shareholders
4 are looking for term limits. What we're hearing from
5 shareholders is that board renewal is increasingly important,
6 not only due to concerns about diversity, but with respect to board
7 turnover and board independence generally, something that
8 consistently keeps coming up. What we're hearing is that
9 shareholders want to hear that there's a well thought through
10 plan and that board renewal broadly, but including diversity, is on the
11 board agenda. How that manifests itself in our disclosure,
12 we're not getting specific requests.

13 With respect to targets beyond women, and I think this
14 goes to one of the points Gigi made earlier, we are increasingly
15 hearing that it's important. However, when speaking to
16 portfolio managers, we often see deference to governance
17 experts, including internal governance groups and ESG groups, as
18 well as external proxy advisory firms.

19 I'll leave on applauding the OSC for taking this
20 important initiative. You know, we believe diversity is an
21 objective fact, whereas inclusion is obviously our choice to
22 make. And to points that have already been made, it's our
23 choice to make in an economically viable world, finding strength
24 through diversity being key to the Canadian mining sector and to
25 the overall Canadian economy. Thank you again.

26 MS. GOLDBERG: Thank you.

27 I've noted that IGM is subject to the CBCA. And
28 ideally, a single set of disclosure requirements is, of course,

1 easiest for issuers. Having said that -- provided the disclosure
2 is not contradictory, it's additive -- the approach in Form B is similar
3 enough to the CBCA.

4 I think it can be met. And we're demonstrating that with the
5 flexibility that the disclosure permits. And I do believe that
6 the approach taken by the CSA to not impose targets or term
7 limits but, rather, require the disclosure and then the issuer's
8 approach to achieving board and corporate diversity meets both
9 shareholder and issuer needs. We agree one-size-fits-all does
10 not work. And this is particularly true for different types of
11 corporate structures, including majority shareholder companies
12 such as ours.

13 Ultimately, we believe that Form B is effective. And
14 as I said, the ability to continue with the flexibility with
15 that narrative that we've talked about for issuers to really
16 emphasize what they're doing and to track and measure is key.
17 Key externally for shareholders and, again, key for the issuers
18 themselves and the organizations.

19 MR. KANJI: So Rhonda, if I can just follow up. To
20 what extent do you think the CBCA disclosure requirements
21 mattered to what your organization was already doing? And then
22 what difference and additional impact would, potentially, the
23 Form B-type requirements have?

24 MS. GOLDBERG: Form B would require more consistency
25 across issuers in the way in which information is being
26 conveyed. Certainly some of the charts that are being asked for
27 would be new for us. But, you know, in coming here today, I did
28 reflect on and re-read our proxy disclosure, our IGM

1 Sustainability Report. We have all of this disclosure today in
2 our public offerings.

3 And so I think for us, it's not problematic to create
4 those forms, provided we continue to have the opportunity, I
5 think the robustness of the narrative, that really gives us the
6 opportunity as an issuer, both outwardly and internally, to talk
7 about what we're doing and how we're meeting the targets and
8 objectives that we're setting internally.

9 MR. KANJI: Thanks.

10 Geordie.

11 MR. HUNGERFORD: Yeah. So I guess reflecting on some of
12 the perspectives from the CBCA, I guess, firstly, I'd like to note
13 that there's about 5% of Canada's population that are
14 Indigenous. And so having the CBCA disclosure has helped us see
15 just how poor the representation is for Indigenous people. So
16 for directors, it was about 0.5% and then jumped to 0.9% in
17 2022, which is, you know, a 10 to 5 times underrepresentation.

18 And then with respect to senior management, it was
19 even worse. So there were two people in senior management in
20 2020 and 2021 amongst that data set of 269 companies. So that's
21 like you know, two people in a Smart Car. Now there's nine,
22 which is better. But these stats are terrible. And so having
23 the statistics, though, allows us to, a little bit, name and
24 shame. And I think, like, with women on boards, the reporting
25 did help create some change. But there needs to be more.

26 On the federally regulated financial institutions,
27 consultation that Finance is doing right now about expanding the
28 CBCA reporting to them, I mean, we've put in some comment papers

1 on that. We think that, you know, similar to these comments
2 about Form C, that there's some opportunity there to increase
3 the types of reporting, in particular by segment in financial
4 institutions. Because, you know, there may be Indigenous retail
5 bankers or Indigenous commercial bankers. But I don't really
6 see any in the capital markets side, the investment banking, the
7 asset management, and so on. Thanks.

8 MR. KANJI: So Geordie, in respect of Indigenous
9 representation, you know, this question of, you know, gap
10 within, you know, word and deed that has come up in the earlier
11 conversation, did this disclosure from the CBCA help expose some
12 of that, move things forward?

13 MR. HUNGERFORD: I mean, it's early days. But yeah, I
14 think it's opened our eyes that there is such a big gap.

15 MR. KANJI: Michael?

16 MR. HOLDER: I think the part that I really am
17 focusing on is a question of targets versus not. Let's take
18 it -- at least, my position is we should have a uniform way of
19 disclosing every -- you should be able to compare one company to
20 another. Companies should be free to disclose the nuances of
21 their particular business in addition to standardized
22 disclosure. But ultimately, as demonstrated with women on boards
23 over the past 20 years, mere
24 disclosure doesn't move the needle. And ultimately, as a
25 country, I think we not only need to claim to be supporting
26 diversity, but also prove we want to do this and actually
27 demonstrate that we've achieved it. And I think that that is
28 the full circle on this.

1 Now, what does that look like? Setting your own
2 internal targets and saying, this is what our community
3 looks like outside of our doors, this is what our markets looks
4 like, these are who our stakeholders are. Like, all those -- or
5 rights holders. All those concepts are things that a company
6 can disclose and discuss but ultimately set a target and reach
7 that target. And I think that that is the only way.

8 And this is coming as somebody who, you know, was the
9 first in many organizations that I've joined and often the only.
10 But the reality is that my fear in each of those situations was
11 that being identified as, you know, we are now meeting this
12 target because you have joined this organization. But
13 contrasting that with actually moving the needle and achieving
14 something that is ultimately good I think is a small price to
15 pay.

16 MR. KANJI: Michela?

17 MS. GREGORY: I think I'll use my time to pick up on
18 what we're seeing happening outside of Canada as well, just
19 noting shifting disclosure requirements in the U.S. when it
20 comes onto enhancing expectations for disclosure beyond women,
21 also looking at racial and ethnic diversity in the States, in the
22 UK and realizing that other markets are really leaning into what
23 it means to have this information for investors' use and for the
24 benefit of capital markets broadly. And I think there is a
25 question there around what could we be forgoing for our
26 investors and for our markets by not being able to tap into
27 those insights?

28 So just also piggybacking off of Geordie's comments

1 around what the CBCA disclosure has meant for what has been
2 exposed as a result. What are we forgoing by not having the
3 data that we need to then be able to look internally and say
4 what are the missed opportunities, the opportunities that we
5 could have to really further, you know, more equitable and
6 inclusive boards, companies and what does that ultimately mean
7 that we're missing out on by way of company performance?

8 MR. KANJI: Peter, your thoughts.

9 MR. DEY: Thank you.

10 I feel like I should self-disclose as a person with a
11 disability. I'm hard of hearing, and I've found the acoustics
12 here this morning a real challenge. So if I'm repeating
13 stuff that you've heard or if I'm not answering questions, kick
14 me.

15 Anyway, to the extent I was able to pick up the
16 thoughts that have been tabled this morning, I've really enjoyed
17 it. And as I said in my opening comments, I congratulate the
18 OSC. They've probably done more to advance the issue of
19 diversity just by sensitizing people to the issue through a
20 forum like this.

21 As we go forward -- and I probably sound like a broken
22 record -- the objective should be stronger markets, stronger
23 corporations. And we get stronger corporations and stronger
24 players in the markets from better decisions. And we get better
25 decisions from diverse groups of decision-makers.

26 And so I think the issue -- and I'm preaching to the
27 converted -- associate diversity with value creation. My
28 experience in corporate governance reform is going back many

1 years. When I first got involved with the report in 1994, where
2 were the directors? At the outset, people just checked boxes.
3 But eventually, the stakeholders got into it and said better
4 corporate governance creates value. And I'd love to see the
5 mentality of the markets become that better diversity creates
6 more value. And if you can associate a diversity initiative
7 with value creation, it will happen.

8 Again, I congratulate the OSC and Grant's team for
9 this initiative. And it's an important topic. And I think it's
10 been well-exposed with this group of discussants. Thank you.

11 MR. KANJI: Thanks, Peter.

12 Joseph?

13 MR. BASTIEN: Thank you.

14 Going back to our thoughts on the CBCA and, you know,
15 not trying to repeat anything that Geordie said, it's a very low
16 bar. You know, an improvement from two to nine, you might want to
17 say it's exponential growth, but it's not really anything to
18 write home about. And when we look at Form B, it's a marginal
19 improvement, but there are some very specific notes in Form B.
20 And for those of you playing along at home, it's about
21 Appendix G, page 26, top of it. And what it says is when you're
22 making considerations for nominations for boards of directors,
23 that you should consider a company's intersection with
24 Indigenous rights, title, and interest and commitments, path
25 towards reconciliation, in terms of how you're making those
26 nominations.

27 And out of those two documents, and specifically
28 Form B, that's probably the most profound piece that we

1 identified in there that could really advance Indigenous
2 representation in capital markets, and especially on board of
3 directors and especially amongst executives. Because there is a
4 clear linkage between a company's activities within Indigenous
5 territories, impact on Indigenous rights, title, and interest
6 and commitments to advancing economic reconciliation that
7 actually does have a material consideration for investors. So
8 that's where we'd like to see more attention paid there.

9 But, again, getting into earlier comments, you know,
10 where does that pressure come from? Does a company necessarily
11 feel incentivized to hire more Indigenous executives or get more
12 Indigenous representation on the board just because they have to
13 report? I don't think so.

14 You know, speaking this morning with my boss,
15 Kevin Thomas, you know, he was saying well, you know, there is
16 the idea that you as a company might feel shame that compared to
17 your peers, you don't have the representation that others do.
18 But then speaking with my colleague Michael Thom from CFA, you
19 know, there are examples of companies that say yeah, we have an
20 entirely white, cis male board, and we're all experts in our
21 field, and there's nothing wrong with that. So the pressure, in
22 terms of enforcement about how a company might change their
23 behaviour really has to come from investors. And investors are
24 armed to make those changes by the information that a company
25 discloses.

26 And, again, these forms are a floor and not a
27 ceiling. These are not aspirational. This is literally the
28 bare minimum that we should be asking companies to report on.

1 MR. KANJI: That's right, Joseph. At the end of the
2 day, you know, if the information is not utilized on both sides
3 to actually make a difference, then, you know, it's not going to
4 be, you know, worth literally the paper it's printed on.

5 Kelly.

6 MS. GORMAN: Thanks, Naizam.

7 What I would say -- and it's an interesting panel.
8 But when you really think about what we're talking about, which
9 is reporting on diversity beyond gender, that train has left the
10 station. And it left a while ago. And if you look at just
11 developments around the world, you've got NASDAQ reporting,
12 you've got the Financial Conduct Authority has put out a policy
13 statement.

14 But it's broader than just disclosure and securities
15 regulators. Companies have to focus in on what are the proxy
16 advisory benchmark rules in the jurisdictions that they're
17 operating in. Most of them have targets for gender and now
18 beyond gender. You also have to look at institutional
19 shareholder policies, those that are driving the voting decisions
20 on your board of directors, and are they even more strict than
21 what the proxy advisors have in place. So I'm just saying that has
22 already sailed.

23 And companies have to struggle with well, how do I
24 report this. Oftentimes, I'll get questions from senior
25 executives or directors with respect to well, how do I report
26 this, which categories do I use. And my answer is "Well, that
27 depends". You know, if you're a CBCA company, it's "X". If you
28 want to get board game points because that matters to you,

1 that's a different definition. Or if you just want to avoid
2 negative voting implications from proxy advisors or
3 institutional shareholders, that's a different definition.

4 And so I look at -- you know, the job for securities
5 regulators, knowing this is already happening, it's time to step
6 in and create a definition that at least is the floor, and so
7 that it's comparable disclosure for all investors. And you
8 heard from the institutional investors today. They're using
9 this information to make decisions that will have significant
10 consequences to individual directors and have the ability to
11 change the whole composition of governance for that company.

12 So this type of disclosure should be standardized. It
13 should be, you know, easy to understand. And people should be
14 able to avail themselves of that, regardless of whether they're
15 an institutional shareholder or a retail shareholder.

16 MR. KANJI: Thanks, Kelly.

17 Roger.

18 MR. CASGRAIN: Thank you.

19 We're attempting today to balance business and social
20 mandate. Reminds me very much of the conversation that occurred
21 in the U.S. regarding the mandate of the Federal Reserve,
22 whereby the Federal Reserve has an inflation mandate, a growth
23 mandate and tremendous pressure was put on to have a social
24 mandate by the Biden administration and the public. In the end,
25 they stuck to the inflation and growth mandate. And
26 subsequently, the Bank of Canada also announced that they will
27 have just an inflation mandate.

28 So keeping in mind that we have companies that are

1 public and that we don't want to stifle their ability to make
2 decision-making, how do we take these different diversity
3 stakeholder groups and incorporate them, of which one of them
4 I'm representing today. Three things come along.

5 First of all, standardization. The CBCA came out with
6 some observations, guidelines. The OSC will come up with some.
7 To avoid going into regulatory arbitrage, it would be great if
8 the CSA or if all provinces would be on the same step, and other
9 bodies that are involved, to avoid going to different
10 jurisdictions.

11 How do we implement this diversity concept? Next
12 year, perhaps new groups will pop up, like the Learning
13 Disability Association. And what are the criteria for
14 selection? The list could be 30, 40 more organizations.

15 So perhaps we need to think that the CSA or the OSC
16 has a forum group, similar to the Bank of Canada Fixed Income
17 Forum, which handles fixed income matters and derivatives from
18 all stakeholders buy side, issuing side and investor. And it proved to
19 be very effective during the pandemic. This stakeholders group
20 would be able to filter the various organizations, make sure
21 they're appropriately represented, versus having a list of 40.
22 And the selection criteria to help along the securities -- the
23 OSC or other ones in this matter.

24 That, in my mind, would help very much in the
25 implementation. Thank you.

26 MR. KANJI: Thanks, Roger.

27 Sarah.

28 MS. KAPLAN: Thank you.

1 I want to focus on the issue of targets that Michael
2 raised, because we haven't spent a lot of time on that. And I
3 want to say that, you know, there is an option for companies to
4 set targets in the current regulation, but very few companies
5 actually do. And yet, we know that targets are effective. In
6 our analysis, we've found that companies, no matter what their
7 current level of diversity, the ones that set targets are the
8 ones that make improvements, much more so than firms that don't set
9 targets.

10 And the reason is that target-setting really focuses
11 the mind and forces you to look outside of your normal circles
12 to find the talent. And I have now read over 3,000 of these
13 disclosures. And I can say that many of them rely on these very
14 tired tropes that, oh, we don't want to set targets because we
15 don't want to compromise quality or compromise meritocracy. And
16 these arguments are just patently false. In fact, all of the
17 research suggests that when you set targets or even quotas, that
18 they increase the quality because it forces you to look for all
19 the talented people who have historically been neglected in our
20 system.

21 And so, you know, I keep saying I want the Form C.
22 Form C would include mandatory targets. Now, what does that
23 mean? Every company still has the freedom and the flexibility
24 to set a target that's meaningful for them in their context.
25 This is not saying have a quota that would be set by the
26 outside, which is something that we see all over Europe. And
27 even in the UK they have comply or explain around quotas.

28 So, you know, I really want to just say that if we

1 want to make progress -- because even with the current
2 regulation, Canada is still very far behind its peers in terms
3 of representation even of women on boards. If we really want to
4 catch up to the global standard, if we want to remain
5 competitive not just in capital markets but product service
6 markets because your products and services are going to be
7 better and more robust if you have more robust decision-making,
8 then I think that we need to actually say to companies that they
9 should set targets. And they can determine on their own what
10 those targets should be, but that they need to be set.

11 And I think, you know, that might -- going back to the
12 points made by my excellent Indigenous colleagues that, you
13 know, why wouldn't we in Canada have Indigenous representation
14 on every single board in this country. I think we need to
15 really decide what kind of country we want to be. And I think
16 targets would help move the needle much more quickly than we're
17 going now. Thank you.

18 MR. KANJI: Thanks.

19 JP.

20 MR. BUREAUD: Thanks, Naizam.

21 I guess I do have the final word. So I actually want
22 to share something that I learned today.

23 When you look at the proposal from the CSA, there's a
24 lot of consensus on a lot of elements of diversity disclosure.
25 There's even strong support on the need to enhance it. And the
26 real question we're talking about is the how: Form B, Form A.
27 And looking at it from an investor's perspective, I thought the
28 response was obvious: Form B. It's just there. What's the

1 debate really about?

2 And I think what today's discussion really helped me
3 better understand is -- and I thank you, Nils, for raising it.
4 Because I think, first of all, asking for this information is
5 very personal. This is not the usual information that you have
6 to disclose to regulators, right? You can talk about your
7 corporate risks and everything else, but now you're asking
8 people to disclose information about, you know, something that
9 is, for many, very personal.

10 And I think, for me, I really struggle to understand
11 why is there this reluctance to go with the Form B approach.
12 Why do we need this alternative Form A? And I think I better
13 understand that today. And I think the challenge with the
14 Form B approach is that it forces issuers to have that
15 conversation. It forces them to explain to their board members
16 and their executives why is this information important.

17 And so if there's any, you know, suggestions I can
18 give to the CSA, is try to think of ways that you can help
19 issuers have that conversation. Provide them with information
20 or something that allows them to explain the why this is
21 important -- you know, because it is a very personal
22 matter. And I think that's one of the big takeaways
23 for me from this roundtable. So thank you.

24 MR. KANJI: Thanks, JP.

25 Q&A PERIOD:

26 So now we are going to open it up to questions. We
27 are going to try and alternate between in-person and virtual
28 questions. So if there's someone in the room who wants to ask a

1 question, please raise your hand and someone will come over with
2 a mic. Yeah, there's a question.

3 Yes, and please feel free to direct it to a particular
4 panel member.

5 MR. BIRKETT: Okay. Thank you very much, first of
6 all, for doing this. My name's Chris Birkett. I'm with Toronto
7 Stock Exchange.

8 I couldn't agree more with the necessity for
9 diversity. And Mr. Dey, I think it's really important that we
10 make our capital markets stronger through diversity. There's no
11 question about that. I also would agree that we need better
12 disclosure on diversity. There's no question about that.

13 I do get a little bit concerned when we're talking
14 about, in this room, that we're talking about the very top tier
15 of the TSX. That amounts to about 250 companies. We've got
16 another over 2,000 corporations in Canada, and we need to
17 support them as well. We need to make sure that we don't unduly
18 burden them, in my opinion.

19 We've seen some odd results with respect to diversity.
20 I think we're still in the initial stages of it. For example,
21 this year we saw a board of eight members, two of which were
22 women. And there was a proxy advisor who recommended against
23 one of the women because the diversity was not high enough.

24 I do get a little bit concerned that a Form B leads to
25 a mathematical exercise that doesn't tell the full story. And I
26 do get concerned with smaller issuers with smaller boards who
27 are unable to fulfill the specific requirements. I have no
28 problem with targets. I think the targets can be set via their

1 own companies.

2 And I guess my question really would be for anybody on
3 the panel. Do you have the same concern about smaller issuers
4 and smaller boards?

5 MR. KANJI: Sarah, go ahead.

6 MS. KAPLAN: Just a quick note that in our analysis,
7 what we found is TSX 60 companies are already doing quite well
8 on a lot of the dimensions, certainly on women on boards. And
9 it's really the non-TSX 60 companies that are not making
10 progress. And so I agree with your concern about smaller
11 companies and the need to support them. But that's where the
12 explanations come in.

13 Okay, we're a three-person board. We can't meet all
14 of these diversity requirements. That doesn't take away from
15 the need to report on that.

16 So I actually think TSX 60 has so much pressure on
17 them from so many different stakeholders. They're already
18 advancing, whether or not there's disclosure. And I think that
19 this regulation is actually most important for the smaller
20 companies.

21 MR. KANJI: Thanks, Sarah.

22 So I'm now going to go to the first online question,
23 and I'm going to ask it to Grant.

24 The question is: Are regulators working to produce an
25 outcome that is consistent across the CSA, or is it possible
26 that there will be different requirements in different
27 jurisdictions?

28 MR. VINGOE: Well, we're really endeavouring to have a

1 common approach. I thought it was really not a sign of
2 weakness, but a sign of strength that we could voice these
3 different views in a single consultation. And, you know, I can
4 assure everyone there's open-mindedness on all sides on this
5 issue. And it really is part of the strength of the CSA that we
6 get, you know, regional viewpoints and very active debate. So,
7 you know, I think it's possible.

8 We've been certainly considering different
9 alternatives. The starting point on Form A and Form B was, you
10 know, pretty different. And I think there was also some
11 confusion because, you know, Form B does allow a corporation to
12 tell its story in any way it wishes; it just requires a baseline
13 of information. And I think that's getting more broadly
14 recognized within the CSA.

15 Now, is there a possibility of different requirements
16 in different jurisdictions? You know, we will do everything we
17 can to try and avoid that. But we do need to provide the
18 information that is material and needed by investors. So, you
19 know, if we can't completely come together in a common
20 philosophy, there is the possibility of differences. That's
21 always a reality within the CSA. But I'm hopeful that we'll
22 come together.

23 There could be some segmentation about, you know, the
24 smallest issuers that, you know, really have very limited
25 resources. But our general philosophy on that is being that
26 people underestimate by far, you know, the number of qualified
27 diverse candidates. You know, people were saying that about
28 women only a few years ago. You know, we can't have this, well,

1 you know, a 30%, you know, standard as a potential aspiration.
2 It was going to be really tough for people because there wasn't
3 going to be the pipeline. And there's not going to be a
4 pipeline if we don't have pressure to include people in the
5 pipeline with the end goal of senior executive officers.

6 So I have to say, you know, we feel very strongly
7 about our approach, and we're going to advocate for it. But we
8 also place a high premium on harmonization.

9 MR. KANJI: Thanks, Grant.

10 We want to be very respectful of your time. So we'll
11 just go with one more question if there's an in-person. Or else
12 I'll ask one virtual question. So maybe I'll ask this question
13 of -- oh, there's a question. Okay, great.

14 MR. BIRKETT: Sorry. Sorry, Naizam.

15 MR. KANJI: That's okay.

16 MR. BIRKETT: It's just a follow-up to Grant's point.

17 Do you see an opportunity for there to be
18 harmonization across jurisdictions, but maybe in a tiered
19 approach? It's a bit of a mixture of my first question and your
20 point. Could we do something for smaller companies and then
21 something different for larger companies that could be
22 harmonized across Canada?

23 MR. VINGOE: Well, we'd be open to that type of
24 discussion. You know, like, we have the simplicity in Canada of
25 differentiation based on exchange listing venue. And, you know,
26 I'm not sure that that would be as, you know, appropriate a
27 basis for differentiation on something as fundamental as
28 diversity. But then if we start introducing other types of

1 tiers, it leads to complexity. So we'll have to have that
2 discussion.

3 MR. KANJI: Okay. So maybe I'll ask Rhonda and Nils
4 this question about: How can we better understand the diversity
5 of the workforce or candidates while still protecting privacy
6 and human rights?

7 MS. GOLDBERG: Maybe I'll start.

8 MR. ENGELSTAD: Sure.

9 MS. GOLDBERG: Again, I think, you know, it goes back
10 to, in fact, what both of us talked about earlier. It is
11 important that this be voluntary. And then it's very important
12 that it's not just once and done with respect to the request and
13 the explanation.

14 This is a journey for companies as well. And for our
15 employees, to really embrace the ask. And importantly for us
16 and the obligation on us as companies to then demonstrate with
17 trust and respect what we intend to demonstrate in return for
18 our employees and for the growth of our companies. But we do
19 have to be mindful and respectful.

20 So, again, as we talk about what this disclosure
21 ultimately looks like -- and I think, you know, that concern
22 that's been expressed with respect to what can happen with that
23 disclosure without the narrative -- we do have to remember it's
24 voluntary and may not be fully reflective of the growth and
25 what's happening internally in the organization.

26 MR. ENGELSTAD: I candidly can't add much to that,
27 frankly. It's about your corporate culture. It's about having
28 honest and respectful open conversations. And it's about

1 understanding the cultural nuances when you operate globally.
2 And if you do that and you do that over a prolonged period of
3 time and you show meaningful outcome and good use of that data,
4 I think you'll get there.

5 MR. KANJI: Thank you.

6 So, you know, we got some other questions that are
7 essentially also comments to regulators. I'm sure Jo-Anne and
8 her colleagues across the CSA will take those questions and
9 comments into account.

10 And with that, I'll pass it over to Grant for us to
11 close. Thanks, everyone.

12 CLOSING REMARKS:

13 MR. VINGOE: Okay. Well, thank you. Thank you for
14 being here. I'd like to thank our panelists for agreeing to
15 take part in the roundtable and for the contributions today.

16 And, you know, it was jam-packed in a very limited
17 period of time. But I think you really heard the vital aspects
18 of the viewpoints in this area. You know, this is an important
19 issue, and I really appreciate your engagement on it. It's
20 important to our capital markets.

21 If you haven't commented already, please remember the
22 comment period ends on September 29th, and we want to get as
23 many viewpoints expressed as possible. And everyone will be
24 carefully considered and hopefully be the source of inspiration
25 for harmonization within the CSA.

26 And, you know, with our CSA colleagues, we're going to
27 continue to work on this. We've been very successful in many
28 other difficult policy projects. We've avoided the temptation

1 to, you know, go to, kind of, a lowest common denominator, but to
2 find a blended approach that reflects -- respectfully respects
3 everyone's point of view. So I'm really hopeful that we can
4 achieve that.

5 So please travel safely and enjoy the rest of your day.
6 And thanks for being here.

7 --- Whereupon proceedings adjourned at 11:33 a.m..
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14 I HEREBY CERTIFY THE FOREGOING to be a true and accurate
15 transcription of my shorthand notes to the best of my skill and
16 ability.
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20 Crystal Murray

21 Computer-Aided Transcription
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