

September 27, 2013

Ontario Securities Commission

Attn: Secretary
Ontario Securities Commission
20 Queen St. W., 22nd Floor
Toronto, ON M5H3S8
Email: comments@osc.gov.on.ca

Dear Sir /Madam:

Re: OSC Staff Consultation Paper 58-401, Disclosure Requirements Regarding Women on Boards and in Senior Management (“Consultation Paper”)

We have reviewed the Consultation Paper and commend staff for providing a very useful briefing. I submit these comments in my capacity as Chief Financial Officer of The United Church of Canada which has Treasury assets in excess of \$115 million.

The United Church of Canada has long advocated for increased diversity and fairness in all aspects of society including corporate board composition. We believe diversity in perspectives enhances overall board and business effectiveness, and that the research supporting this view is broadly accepted. Diversity should not only include gender, but also ethnicity, race, background and age. We would note that the Global Reporting Initiative (GRI), includes board diversity among its core performance indicators and has become the global standard for sustainability reporting. The Government of Canada has officially endorsed GRI, so it would make sense for securities regulators across the country to harmonize sustainability reporting towards this standard.

<https://www.globalreporting.org/resource/library/Embedding-Gender-In-Sustainability-Reporting.pdf>

Accordingly, we simply expect any well-run company to be proactive in evaluating board composition, diversity and effectiveness. We expect that boards would set their own diversity targets and implement needed changes in the course of director recruitment and board renewal.

As to the specific consultation questions, we favour best practice guidelines, encouragement with ongoing reporting and transparency. Encouraging companies to set out and explain their targets to which they can be held accountable creates an appropriate dynamic for dialogue. Companies should be expected to articulate diversity objectives and the rationale for same for their individual company. We would expect to see diversity goals at each stage of the recruiting process, including identification of candidates, evaluation of select candidates and hiring/nominating.

For a particular company, disclosure should include:

- Diversity goals and why the disclosed balance is considered appropriate
- Disclosure on whether a company has diversity objectives when identifying candidates.
- Disclosure on whether gender diversity has been increasing, decreasing or remaining flat;
- Disclosure on the process used to identify candidates for directorships or senior executive positions, including the name of consultants used – if applicable.

Scope and disclosure requirements seem appropriate and complete. We would support inclusion of Venture companies in the solution.

We believe that the three measurements (total female employees, women in senior management and women on the board) as proposed in the model are appropriate. These should be expressed as percentages with trend reporting for each. We believe such reporting would not be onerous for Venture issuers. We believe this group of corporations could potentially offer starting opportunities for new or less experienced directors.

We believe the OSC needs encourage consideration of a broader pool of candidates. We believe the proposed model moves society and business in the appropriate direction. The OSC should recommend, as a best practice, that companies have a critical mass of women on their nominating committees.

In summary, we support the model proposed by the OSC as a good starting point that will lead to positive change and potentially avoid the need for quotas or other potentially contentious or disruptive mechanisms. We would encourage an approach focused on getting companies to tailor and disclose flexible goals rather than offer long explanations. We believe embracing diversity is good for business and important for society as a whole.

Respectfully submitted,

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