

October 3, 2013

***Sent by email***

The Secretary  
Ontario Securities Commission  
20 Queen Street West  
22<sup>nd</sup> Floor  
Toronto, Ontario M5H 3S8  
Email: [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

Dear Sirs/Madams:

**Re: OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management***

The Canadian Bankers Association (CBA) works on behalf of 56 domestic banks, foreign bank subsidiaries and foreign bank branches operating in Canada and their 275,000 employees. The CBA advocates for effective public policies that contribute to a sound, successful banking system that benefits Canadians and Canada's economy. The CBA also promotes financial literacy to help Canadians make informed financial decisions and works with banks and law enforcement to help protect customers against financial crime and promote fraud awareness.

The CBA recognizes the importance of diversity, including gender diversity, on boards and in senior management positions in corporate Canada. We appreciate the opportunity to comment on the Ontario Securities Commission (OSC)'s Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management (Consultation Paper)*.

We agree that gender diversity is an important issue and a contributing factor to achieve a high-performing organization. We are proud of the leadership that the financial services sector in Canada has shown in this area, demonstrating a commitment to ensuring that diversity and inclusion are integrated into all aspects of resource planning and career development in their workforces.

As a general comment, we support enhancing disclosure to explain how an issuer approaches gender diversity and the advancement of women and to provide related measures. While gender balance is an important aspect of diversity, other aspects such as race, national origin, sexual orientation, physical disability, education, professional experience, management capabilities, skill set and expertise also merit recognition as important aspects of diversity. We recommend that the OSC disclosure model recognize the breadth of diversity and foster disclosure of an issuer's overall diversity commitment.

Many of our members have formal and informal diversity policies, programs and practices in place aimed at promoting diversity. In regard to gender diversity, specifically, our members continue to focus on the advancement of women through bank-wide initiatives. Examples of these initiatives include:

- recruitment strategies and contracting search firms to provide diverse slates of candidates for senior management roles or board vacancies;
- targeted development programs in the workplace to build women's leadership capabilities and create networking and mentoring opportunities for women;
- internal leadership groups to support the advancement of women;
- sponsorship of external organizations that promote the entry, development and advancement of women in management and on boards, such as Women in Capital Markets and Canadian Women in Technology;
- management reports to board or board committees on diversity measures, which include gender diversity measures; and
- director and senior management involvement in external groups supporting the representation of women on boards.

We believe these initiatives reflect commitment to gender diversity, profile women in a meaningful manner and foster their advancement.

We support disclosure requirements that encourage issuers to establish diversity policies at both the board and senior management level. We recognize that issuers have different approaches, so we support a "comply or explain" approach which will allow issuers that do not have formal board or management policies to explain why not. This will provide issuers with an opportunity to explain what approaches or efforts they are making on the issue and/or explain any steps they are taking towards having a policy.

This disclosure approach would enable an issuer to disclose:

- its approach to advancing women, whether couched in a guideline, policy, program, practice, initiative or any combination of those;
- the intended objective of the approach taken;
- the manner in which the issuer is monitoring progress toward the objective; and
- the effectiveness of the approach.

We support inclusion of the measures noted in the Consultation Paper, such as requiring disclosure of the proportion (in percentage terms) of women employees in the whole organization, women in senior executive positions and women on the board. We recommend that the OSC allow issuers to define the groups for whom disclosure is made, rather than define the term "senior executives".

In regard to the OSC's consideration of board evaluations, we recommend that the focus of the OSC's disclosure model be on an issuer's approach to advancing women and the effectiveness of that approach, rather than the board's evaluation process. Therefore, we propose to remove the disclosure requirement on the board evaluation process from any resulting requirements.

We believe that any quantitative or qualitative information regarding the representation of women in an organization should be reported for non-venture issuers and not for its subsidiary entities. This approach would foster more consistent and relevant disclosure among issuers, in particular for those issuers that have numerous subsidiaries and operations in diverse geographies.

We note that, as federally-regulated entities, our members are subject to the *Employment Equity Act* (Canada) (Act), which contains requirements to: 1) monitor progress made in closing any

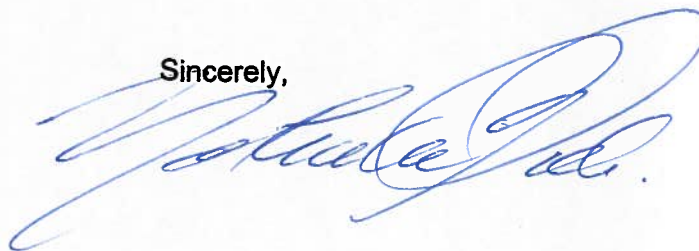
workforce representation gaps for the four designated groups identified in the Act, one group of which is women; and 2). create and disclose plans outlining policies, programs and practices which remove barriers to closing the gaps in representation of these workforce groups (including women) in the workforce. Many of our members disclose this information on their websites, in their public accountability statements and in other publicly available documents.

We believe that the most effective disclosure model to facilitate increased representation of women on boards and in senior management should foster and support a variety of approaches to advancing women, whether they be couched in guidelines, policies, programs, practices, initiatives or any combination of these. We think it is important for an issuer to be able to set its approach without having to adhere to recommended content. In that context, we support a "comply or explain" approach.

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Thank you for the opportunity to participate in the consultation on this important topic. We would be pleased to discuss our comments with you further.

Sincerely,

A handwritten signature in blue ink, appearing to read "Y. Studebaker", is written over the word "Sincerely,".