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Dear Mr. Stevenson:

RE: OSC Consultation Paper #58-401: Disclosure requirements regarding women on boards and in senior management

Thank you for providing EY the opportunity to comment on the OSC's Consultation Paper #58-401. We applaud your effort to highlight the importance of increasing the participation of women on boards and in senior management in Canada.

Like many Canadian organizations, we at EY consider the perceived shortage of talent to be a pressing business issue. We believe that the success and growth of Canadian businesses, and by extension the Canadian economy itself, depend on the willingness of organizations to tap into the widest and deepest pool of leadership talent available. And we're not alone in recognizing the link between diverse board representation and results; studies from all over the world have confirmed the correlation between a high representation of women in a company's board and senior management and strong financial performance¹.

Organizations thrive when board appointments are drawn from a broad talent pool that includes men and women of different ages, cultures, experiences, orientations and abilities. Yet, in spite of the studies and nearly two decades of talking about the importance of diverse leadership, progress has been slow. The participation rate of women on boards and in senior management in Canada remains disproportionately — and disturbingly — low.

We believe that leaders must prioritize diversity in the director recruitment process, and invest meaningfully in the processes and monitoring of talent management and succession planning at all levels of the organization.

With this in mind, EY supports the adoption of a policy framework that will help organizations achieve the goal of accessing Canada's best talent, and that includes women. We believe that a **"comply or explain" approach is preferable to a quota system**, given the proven, measurable results of "comply and explain" policies in other jurisdictions. We also feel that, like any important business imperative, this policy framework should include **goals** to have the most impact.

¹ For example, a recent study showed that organizations with more women in senior roles reported a higher return on equity, higher return on invested capital and a higher return on sales. See: Bart, C. and McQueen, G. (2013), "Why women make better directors," *International Journal of Business Governance and Ethics*, Vol. 8, No. 1, pp.93–99.

The diversity journey is different for each company since they operate in unique conditions. As such, we believe each should be permitted to establish and disclose goals that are best aligned and appropriate to its particular circumstances.

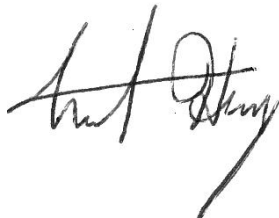
Issuers must have the **flexibility to develop the monitoring, disclosure and reporting frameworks that are best suited to their particular circumstances**. This practical approach will help ensure that this initiative is suitable and achievable for all businesses.

We believe that with this kind of policy approach in place, Canadian companies will be both encouraged *and* better equipped to achieve measurable progress in board and leadership representation, and address the perceived shortage of talent that constrains their abilities to grow, innovate and thrive.

EY has a long history of promoting the advancement of women into leadership roles in both private and public organizations, as part of a broader commitment to building a better working world for our clients, our people and our communities.

Together, we can build an environment where **all of this country's diverse leadership talent** can contribute fully — an essential factor in the success of Canadian businesses and a strong Canadian economy.

Yours sincerely,



Trent Henry
Chairman and Chief Executive Officer

Copy to: Monica Kowal, General Counsel, OSC; Marion Kirsh, Assoc. Chief Accountant, OSC; Doris Stamm, General Counsel, EY