

ISS - Institutional Shareholder Services
policy@issgovernance.com

November 9, 2017

Re: ISS 2018 Proposed Overboarding Policy Changes and New Diversity Policy

The RIA supports ISS's proposed policy changes on overboarding and a new policy to strengthen board diversity in the Canadian marketplace.

The Responsible Investment Association (RIA) is Canada's membership association for Responsible Investment (RI). Our members, representing over \$1 trillion in assets under management, include financial institutions, asset management firms, mutual fund companies, advisors, investment research firms, pension funds, foundations and others. The RIA's members believe that the integration of environmental, social and governance (ESG) factors into the selection and management of investments can provide superior risk adjusted returns and positive societal impact.

We agree with the removal of the attendance criterion of ISS's two pronged overboarding test. A director should automatically be overboarded if he or she exceeds the public company board threshold limits. As a result, a stricter overboarding rule will encourage a more diverse director pool.

We also support the proposed implementation of a new policy on gender diversity to promote better disclosure by companies and improve gender diversity in boardrooms. An issuer should have a formal gender diversity policy in place that is robust, describes what diversity means to the company, sets targets and goals, and includes regular reporting on progress made towards targets. The RIA would like to see this policy implemented immediately instead of allowing for a one-year transition period. With only 12% of women on boards of non-venture issuers in Canada, this issue needs to be addressed immediately.ⁱ

Please do not hesitate to reach out to me should you wish to discuss any of this further.

Yours truly,



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ⁱ http://www.osc.gov.on.ca/en/NewsEvents_nr_20160928_new-results-women-on-boards.htm