

January 12, 2026

The Secretary
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
comments@osc.gov.on.ca

Dear Madam,

Re: Ontario Securities Commission (“OSC”) Notice 11-7101 –Statement of Priorities: Request for Comments Regarding Statement of Priorities for Fiscal Year 2026-2027

We thank you for the opportunity to provide feedback on the OSC’s draft 2026-2027 Statement of Priorities and to highlight suggestions for potential priority areas of consideration for the fiscal year 2026-2027.

CCGG’s members are Canadian institutional investors that together manage approximately \$5.8 trillion in assets on behalf of pension funds, mutual fund unit holders, and other institutional and individual investors. CCGG promotes good governance practices, including the governance of environmental and social matters, at Canadian public companies and assists institutional investors in meeting their stewardship responsibilities. CCGG also works toward the improvement of the regulatory environment to best align the interests of boards and management with those of their investors and to increase the efficiency and effectiveness of the Canadian capital markets. A representative list of our Members is attached to this submission.

CCGG RESPONSE TO OSC DRAFT 2026-2027 PRIORITIES

CCGG’s comments focus on those goals and priorities identified by the OSC in the draft 2026-2027 Statement of Priorities that are relevant to CCGG’s corporate governance focused mandate and priority policy areas.

Goal 1: Quickly deliver effective regulatory actions in anticipation of emerging trends

Key priority 1: Building on the OSC-wide cross-disciplinary approach to artificial intelligence

CCGG strongly supports the OSC’s goal to “collaborate with policy makers and standard setters domestically and internationally to align regulation in areas such as disclosures of the use of AI systems and governance practices”.

Governance concerns about the adoption of AI are multi-faceted. They include how boards discharge their oversight responsibilities into the ethical development, adoption, and integration of AI into a business. AI issues also tie into a board's composition, experience, skills and competencies, board education, committee mandates and a board's approach to oversight of culture, risk, strategy and stakeholder interests all of which are important to institutional investors. Information about these topics are beginning to appear in disclosures¹.

Increasingly, board use of AI by directors in fulfilling their duties is also coming to the forefront as a governance issue, representing both a risk and a potential opportunity. Risks arise if directors use unsecure AI services to provide summaries of confidential information or rely on AI analysis to form alternate opinions. Opportunities are present for directors to enhance their understanding and ability to constructively challenge management if there are robust policies and parameters governing director use of AI².

Consistent regulatory expectations for disclosures of the use of AI systems and governance policies and practices will increase transparency and investor trust.

Goal 3: Dynamically right-size regulation informed by changing needs, risks, and practices in Ontario and globally

Key priority 4: Monitor the proposed implementation of the semi-annual reporting pilot project published on October 23, 2025, allowing certain eligible venture issuers to provide semi-annual reporting rather than quarterly. The CSA also intends to engage in a broader rule-making project related to semi-annual reporting

In principle, CCGG does not support initiatives to reduce material disclosures that are used by investors. We support the OSC's proposal to monitor implementation and uptake of the semi-annual pilot project recently proposed by the CSA. We encourage the CSA to publish its measurement metrics and analysis prior to moving forward with broader rule-making. Our full [response](#) to the CSA's most recent consultation is available on our website.

Key priority 5: Publish final amendments to streamline periodic disclosure requirements for non-investment fund issuers

This has been an identified priority for several years. CCGG participated in the CSA's 2021 consultation on amendments to *National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings of Non-Investment Fund*

¹ J. Jones, [Governance in the time of chaos, Board Games 2025](#) Globe and Mail Online December 8, 2025 which reports that AI disclosure was measured in the 2025 edition of Board Games for the first time. Research revealed that 45 percent of TSX Composite companies analyzed were disclosing board oversight of AI and cybersecurity. For developments in the US including with respect to disclosure by public companies see, Pat Niemann, [Cyber and AI Oversight Disclosures: What Companies Shared in 2025, Harvard Law School Forum on Corporate Governance](#), October 28, 2025; See generally for example, CCGG, *Building High Performance Boards, Principle 2: Resilience* (2025)

² Ibid.

Reporting initiative. Our [response](#) which supports eliminating disclosure requirements where they overlap, are duplicative or redundant, is available on our website³.

Key priority 6: Review the current criteria for distinguishing between venture and non-venture issuers to assess whether these distinctions remain appropriate under securities law and identify ways to further tailor requirements for issuers in different tiers. We will consult with stakeholders as part of the broader consultation paper noted in Goal 5 (Foster conditions for capital formation and innovation in both public and private markets).

We look forward to participating in the CSA's/OSC's proposed stakeholder consultation on this topic after reviewing the above referenced consultation paper.

In general, CCGG does not support different governance criteria or standards for different kinds of public companies. That said, in some areas, such as implementation of climate-related and other sustainability disclosure standards there may be a case for flexibility of implementation or compliance timelines for less sophisticated, smaller public companies. Standards such as the Canadian Sustainability Standards Board (CSSB) Canadian Sustainability Disclosure Standards (CSDS) 1 (General requirements) and CSDS 2 (Climate-related) have considerations of proportionality and availability of issuer resources and capacity within a company incorporated into the standards. The expectation built into these standards is that resources and capacity will build up in smaller public companies over time as experience is gained and disclosures mature.

Disclosures with respect to executive compensation are another area where differences may, or may not, be considered. CCGG has recently published a new Executive and Director Compensation Guidebook which includes areas which may be relevant in this regard. Notably, updated guidance with respect to, among other topics, stock options and expectations of common share ownership by CEOs, is included⁴.

Key priority 7: We will continue to work to develop a proof of concept for a new machine-readable data set of our regulatory framework to enhance stakeholder access, searchability and to help users better understand linkages between regulatory instruments, making it easier to apply requirements. By categorizing and labelling statutes, regulations, rules and policies, this initiative enables faster, more accurate compliance.

CCGG strongly endorses this initiative because it supports access to the OSC's legal and regulatory documentation. We would further recommend that the OSC maintain and publish up to date unofficial consolidations of amendments to regulatory instruments.

³ See CCGG, [Sept. 17, 2021](#), Submission to CSA Re: Proposed amendments to National Instrument 51-102 Continuous Disclosure Obligations and Other Amendments and Changes Relating to Annual and Interim Filings for Non-Investment Fund Reporting Issuers and Seeking Feedback on a Proposed Framework for Semi-Annual Reporting – Venture Issuers on a Voluntary Basis

⁴ CCGG, [Executive and Director Compensation Guidebook](#), 2025.

Additionally, it would be of great utility to investors (both institutional and retail) and researchers if all public company documents filed on SEDAR + were also machine-readable and searchable (e.g. XBRL format). It is our understanding that XBRL filings made pursuant to the voluntary initiative under the former legacy SEDAR platform are still available but XBRL filing capacity remains unavailable in SEDAR+⁵.

Key priority 8: Review and assess the Act and the Rules under the Act for outmoded and less relevant provisions to strengthen our framework so it is current, relevant, and effective

CCGG strongly supports a capital markets legal and regulatory environment that is modern and effective. We have a number of questions as to what is being proposed by this priority and what areas of the Act and the Rules are in focus. We participated in reviewing the draft *Capital Markets Act* in 2021/2022 but that initiative did not move forward beyond the initial consultation phase.

Is this new priority a reference to reintroducing or furthering work on the draft *Capital Markets Act*? If so, which components?

Further detail and transparency as to what work is planned by the OSC in respect of this priority and what role market participants will have would be helpful and support transparent, robust and informed debate on any proposed changes.

Key priority 10: Issuers are required to disclose material climate-related risks affecting their business under existing securities legislation. We will assess compliance with these existing disclosure requirements as well as deepen our understanding of the current state of climate-related disclosure practices in Canada. We will also consider stakeholder feedback on the adequacy of existing safe harbour provisions and other civil liability protections under securities laws for issuer misrepresentations in climate-related disclosures. We will actively monitor domestic and international regulatory developments.

CCGG was disappointed by the CSA's announcement that it would be pausing efforts to update National Instrument 51-107 Climate-related Disclosures. We have written to the CSA in respect of the pause on both climate and diversity regulations.

With respect to climate disclosures, CCGG recommended that risk and governance disclosures aligned with the CSSB CSDS 2 should be explored as a first stage of regulated disclosures to ensure that growing momentum around these standards is not lost⁶.

⁵ See CSA, Finding information: Accessing the national systems, XBRL Filing (2025 Canadian Securities Administrators) <https://www.securities-administrators.ca/industry-resources/xbrl-filing/>

⁶ See Millani, *Perception vs. Reality: Behind the Headlines of Canadian ESG Disclosure Trends*, November 18, 2025. This report highlights that while only 3% of the S&P/TSX Composite claim full alignment to IFRS S1 or S2 (from which the CSSB's CSDS 1 and 2 are substantively adopted) 64% of issuers referenced IFRS 1 or IFRS 2 in their 2025 reports representing a 26% increase over the prior year. The report notes that this demonstrates issuers are actively preparing for anticipated future regulatory adoption, at pg. 4.

In addition, we would urge the OSC to publish the findings of the compliance review of the current state of climate-related disclosures practices in Canada that it intends to undertake in 2026. We would observe, however, that if investors found existing climate-related disclosures to be adequate, they would not be advocating so strongly for consistent, comparable CSSB aligned disclosures.

We look forward to further engaging with the CSA on the issue of safe harbour provisions but would also highlight the recommendations we made in this regard in our initial response to the draft regulations initially proposed in NI 51-107⁷.

We are hopeful that the pending amendments to portions of the *Competition Act* announced in the 2025 federal budget will be a catalyst to the CSA moving past its pause and facilitating standardized climate-related disclosures aligned with the CSSB CSDS 2⁸.

TOPICS OF PRIORITY TO INSTITUTIONAL INVESTORS

Protection of Shareholder Rights

CCGG continues to advocate for long-standing shareholder democracy issues to be identified as priorities by the OSC. By way of example, advocating for the right of shareholders to attend annual general meetings in person as well as virtually through hybrid meeting structures has been an area of ongoing concern to CCGG since the pandemic emergency orders were lifted.

Similarly, investors who want to attend and participate virtually in meetings continue to experience problems with registration, meeting access, being able to ask questions and to have questions answered⁹. This is occurring even as legislation to facilitate virtual only meetings becomes more widespread. While we recognize that meeting process falls under corporate law, in our view securities commissions do have a role to play under their investor protection mandate including with respect to signalling best practice expectations for meeting process disclosure and providing a forum for raising complaints where the experience does not match the disclosed process¹⁰.

CCGG is also observing with concern de-regulatory initiatives emerging in the US. These initiatives are being introduced and implemented rapidly and without stakeholder consultation and are changing established structures of investor engagement, shareholder proposal inclusion and the role of proxy advisors among other issues. Such changes not only erode long established shareholder rights and stewardship functions but they impact all market participants, diverting time and attention in order for them to adapt and respond. Predictable, efficient and fair

⁷ CCGG, [Submission to CSA Consultation Climate-related Disclosure Update and CSA Notice and Request for Comment Proposed National Instrument 51-107 Disclosure of Climate-related Matters](#), January 31, 2022 at pg. 6.

⁸ Bill C-15, [An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025, Division 43](#). As of writing amendments to the *Competition Act* have not yet been passed into law.

⁹ CCGG, [Virtual Shareholder Meeting Policy](#), 2024

¹⁰, CCGG, [Letter to the CSA Take-Over Bid Committee re: Virtual Shareholder Meetings – Investor Experiences in 2025](#), November 28, 2025

regulatory processes that adequately balance shareholder rights and company capacity are essential to the inviting, thriving and secure capital market which is the goal of the OSC's new strategic plan.

Universal proxies

We would urge the OSC to consider implementation of universal proxies in Canada. CCGG has a long-standing policy in support of the use of universal proxies in contested elections and this idea was adopted as a final recommendation of the Ontario Capital Markets Modernization Task Force¹¹.

The US Securities Exchange Commission implemented mandatory universal proxies in 2021¹². Recent research evaluating the impact of the use of mandatory universal proxies in contested elections in the US reveals that their use has not led to chaos or shareholder activists taking full control of boards. It has led to a reduction in management side 'clean sweeps' wherein all management nominees are elected. The use of universal proxies has instead increased the frequency by which dissident directors are being elected to boards but shareholders are not choosing to give dissidents full control¹³. In our view, the research shows that universal proxies are functioning as intended by giving shareholders the choice to vote for the slate of directors each considers optimal.

CONCLUSION

We thank you again for the opportunity to provide you with our comments. Please do not hesitate to contact our Chief Executive Officer, Catherine McCall, at cmccall@ccgg.ca or our Director of Policy Development, Sarah Neville at sneville@ccgg.ca if you would like to discuss the matters in this letter further or if we can be of any assistance.

Yours truly,

Amit Prakash

Amit Prakash, Chair
Canadian Coalition for Good Governance

¹¹ CCGG Policy, [Universal Proxy Policy](#), 2015; See recommendation #42 of the Taskforce [online: [Capital Markets Modernization Taskforce: Final Report January 2021: 2.4 Proxy system, corporate governance and mergers and acquisitions | Ontario.ca](#)]

¹² US Securities and Exchange Commission, SEC Adopts New Rules for Universal Proxy Cards in Contested Director Elections, Press Release, November 17, 2021 [online: [SEC.gov | SEC Adopts New Rules for Universal Proxy Cards in Contested Director Elections](#)]

¹³ Eric S. Goodwin, Kai H.E. Liekefett, Derek Zaba, [How Three Years of the SEC's Universal Proxy Card Have Changed Proxy Contests](#), September 9, 2025; Sidley Austin LLP, Harvard Law School Forum on Corporate Governance,

CCGG MEMBERS 2026*

- Alberta Investment Management Corporation (AIMCo)
- Archdiocese of Toronto
- Aviva Investors Canada Inc.
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- Capital Group Canada
- CIBC Asset Management Inc.
- Colleges of Applied Arts and Technology Pension Plan (CAAT)
- Connor, Clark & Lunn Investment Management Ltd.
- CPP Investments
- Desjardins Global Asset Management
- Fiera Capital Corporation
- Fondation Lucie et André Chagnon
- Foyston, Gordon & Payne Inc. (FGP)
- Healthcare of Ontario Pension Plan (HOOPP)
- Hillsdale Investment Management Inc.
- Investment Management Corporation of Ontario (IMCO)
- iA Financial Group
- Jarislowsky Fraser Limited
- La Caisse
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau Global Investment Management
- Lincluden Investment Management Limited
- National Bank Investments
- NEI
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)
- OP Trust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Provident¹⁰
- Public Sector Pension Investment Board (PSP Investments)
- Qube Investment Management Inc.
- QV Investors Inc.
- RBC Global Asset Management Inc.
- Régimes de retraite de la Société de transport de Montréal (STM)
- RPIA
- Scotia Global Asset Management
- Sionna Investment Managers Inc.
- SLC Management
- Summerhill Capital Management
- Teachers' Pension Plan Corporation of Newfoundland and Labrador
- TD Asset Management
- Teachers' Retirement Allowances Fund
- UBC Investment Management Trust Inc.
- University Pension Plan Ontario (UPP)
- University of Toronto Asset Management Corporation (UTAM)
- Vestcor Inc.
- York University Pension Fund

*As a coalition, CCGG strives to build and reflect a consensus but, while supportive of CCGG's mission and mandate, CCGG's Members are not individually bound by CCGG's positions.