



Proxy Alert: Proxy Alert: Proposal on Indigenous Relations and Reconciliation at TMX Group

TMX Group Ltd

Symbol: X.TO

Annual Meeting date: May 12, 2021

Filer: Atkinson Foundation, supported by the Shareholder Association for Research & Education (SHARE)

Shareholder proposal on Indigenous relations and reconciliation (amended)

SHARE's Recommendation: Vote FOR shareholder proposal (amended)

TMX Group Management Recommendation: Vote FOR shareholder proposal (amended)

RESOLVED that the TMX Group's Board of Directors report to shareholders on its work:

to develop internal programs and policies on equity, diversity, and inclusion (ED&I), including those that encompass current and prospective Indigenous employees, and relationships with Indigenous communities;

to review procurement from Indigenous-owned businesses, and those owned by other underrepresented groups, and establish appropriate disclosure practices and objectives; and

to engage with qualified Indigenous and other organizations to support this work so that these programs can be shown to meet standards that are appropriate for the company and, wherever possible, aligned with commonly-used frameworks, and to report in an ongoing way that supports investors' ability to determine the breadth, depth, and content of these programs.

Rationale

To be responsive to the regulatory and reputational pressure related to Indigenous inclusion, many companies have developed internal programs or policies on Indigenous relations, recruitment of Indigenous employees, and procurement from Indigenous-owned businesses.

For investors, however, the breadth, depth, and content of these programs is impossible to determine. Facing inconsistent disclosure, the extent to which a company has effectively incorporated steps to address Indigenous inclusion and reconciliation is impossible to measure.

[SHARE has tracked Canadian companies' reconciliation-related disclosures through a report first published in 2017 and re-released with updated data in 2021.](#) Despite some progress, Canada's corporate sector has much work to do in accelerating representation and participation of Indigenous



people on corporate boards, in management, and across companies' operations, including as employees, suppliers, and business partners.

Of the 78 companies reviewed, 28 percent provided data on Indigenous representation on boards. The study also found that since 2016, there has been a significant 28 percent increase in companies that reference Indigenous heritage or identity in board of director diversity policies, and 22 percent in senior management policies. Two times more companies state that they prioritize the employment of Indigenous people than did in 2016. However, regular reporting on Indigenous relations and reconciliation indicators merits further standardization to enhance transparency and equip investors to gauge company performance in these areas.

There are externally-verified options for corporations to demonstrate that their programs meet standards developed by qualified Indigenous organizations, such as the Progressive Aboriginal Relations (PAR) program of the Canadian Council for Aboriginal Business, which provides independent certification to corporations in Canada. Within Canada's financial sector, this is already an established best practice: BMO, Scotiabank, CIBC, Deloitte, EY, ATB Financial, and Accenture have all achieved certification under the PAR program.

TMX Group acknowledges that important work needs to be done to improve the representation of Indigenous peoples and that Indigenous peoples are under-represented in positions of economic influence and leadership. TMX Group notes that it has begun to develop internal programs and policies on equity, diversity, and inclusion ("ED&I"), including those that encompass current and prospective Indigenous employees, and relationships with Indigenous communities, and reviewing procurement from Indigenous-owned businesses and associated disclosure practices.

These steps are encouraging. TMX Group still lags direct peers in the financial services sector, having not yet disclosed any information on company policies and practices on Indigenous relations and reconciliation. However we appreciate the company's commitment to future disclosure, setting clear objectives, and doing so in consultation with Indigenous organizations.

The company management and SHARE have provided a joint recommendation: Vote FOR proposal as amended.

Read the amended proposal: <https://www.tmx.com/newsroom/press-releases?id=943>

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