



CORPORATE BOARD AND LEADERSHIP DIVERSITY

August 14, 2023

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
Via electronic mail

Re: Corporate Board Diversity RIN: 3235-AL91

Dear Ms. Countryman:

The Thirty Percent Coalition (the “Coalition”) respectfully submits this letter to the U.S. Securities and Exchange Commission (“SEC”) to comment on its consideration of a rule proposal related to corporate board diversity.

The Thirty Percent Coalition, founded in 2011, is a pioneering advocate for increased diversity on corporate boards and in senior leadership. Its vision is for senior leadership and boards of directors to reflect the gender, racial, and ethnic diversity of the United States workforce. The mission of the Coalition is to increase diversity in boardrooms and senior leadership at both public and private companies through investor engagement and collaborative action. Its focus is on the demand side - collaboratively influencing companies to open their boardroom and C-Suite searches for all qualified candidates with skill sets matched to their corporate strategies.

Coalition membership includes more than 90 institutional investors, state treasurers, corporations, professional service firms, advocacy groups, individuals and private equity firms representing more than \$8 trillion in assets under management.¹ Alongside our members, we create solutions and strategies in furtherance of our vision, including the multiyear “Adopt a Company” campaign that has influenced more than 500 public companies to appoint a woman to their boards, many for the first time.

Research has shown that corporations with diverse leadership teams – inclusive of gender, race, and ethnicity – outperformed their peers.² Plus, when Carlyle analyzed their U.S. portfolio data over a three-year period from 2017 to 2019, they found that “the average earnings growth of [their] portfolio companies with two or more diverse board members was nearly 12% per year greater than the average of companies that lack diversity. After controlling for industry, fund, and vintage year,

¹ [Members of the Thirty Percent Coalition](#)

² [e.g., McKinsey & Company: Diversity Wins – May 2020](#)



companies with diverse boards generate earnings growth that's five times faster, on average, with each diverse board member associated with a 5% increase in annualized earnings growth."³

In addition to the broad array of organizations that are part of our coalition, additional constituencies – from the US Chamber of Commerce, American Bankers Association, to the Urban League — agree that diversity in the boardroom is “good corporate governance.”⁴ Other industry leaders have adopted board diversity initiatives as a best practice, including Goldman Sachs’ requirement of two diverse board members for companies it takes public⁵ and Blackrock’s stated target of 30% diversity on boards.⁶

Indeed, institutional investors and asset owners require transparency around diversity to make informed decisions about the companies in which they invest and for which they vote proxies. We recommend that all companies that trade on U.S. exchanges be required to disclose diversity metrics in the proxy statement or, if there is no proxy filing, in another appropriate document filed with the SEC, and suggest including sensible provisions to advance transparency, such as:

- Disclosure based on voluntary self-identification; and
- Reporting that disaggregates data by gender and each major ethnic, racial, and other major population segments, such as those included in EEO-1 reporting.

This letter reflects initial comments regarding the Commission’s consideration of board diversity disclosure. The Coalition appreciates the SEC’s consideration of these comments and would be pleased to discuss them in greater detail. If you have any questions or need any additional information, please contact Julie Zuraw, Thirty Percent Coalition President & CEO, at julie.zuraw@30percentcoalition.org or 917-604-2790.

Sincerely,

Julie Zuraw
President & CEO

Susan Angele
Board Chair

Esther Aguilera
Chair, Public Policy Outreach Committee

cc by email: Chair Gary Gensler
Commissioner Hester Peirce
Commissioner Caroline Crenshaw
Commissioner Jaime Lizarraga
Commissioner Mark Uyeda

³ [Carlyle analysis of portfolio boards](#)

⁴ [Broad support for Board Diversity](#)

⁵ [Goldman Sachs Board Diversity Initiative](#)

⁶ [BlackRock Responsible Investment Guidelines 2023](#)