



**STATE OF WASHINGTON**  
**STATE INVESTMENT BOARD**

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November 8, 2023

The Honorable Vanessa Countryman, Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Via electronic mail

Re: Corporate Board Diversity RIN: 3235-AL91

Dear Secretary Countryman:

The Washington State Investment Board (WSIB) 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 WSIB is a member of the Thirty Percent Coalition, a group of institutional investors representing over \$8 trillion in Assets Under Management (AUM). The Thirty Percent Coalition advocates for increased gender, racial and ethnic diversity on corporate boards and in senior leadership, a mission that is aligned with the WSIB's diversity, equity, and inclusion (DEI) efforts.

Research has shown that diversity, in its broadest sense, helps groups make better decisions and avoid groupthink. Studies have illustrated that corporations with diverse leadership teams inclusive of gender, race, and ethnicity outperform their peers. In keeping with our fiduciary duty as a responsible steward to over \$189 billion in AUM, we believe it's important to gain a clear understanding of the level of diversity across our current and prospective portfolio company boards.

There is an enduring demand among investors for data and disclosure on board composition, as evidenced by the preponderance of institutional investors, both large and small, that factor corporate board diversity into proxy voting decisions.

Board diversity and relevant disclosures remain among the WSIB's critical focus areas within our asset stewardship program. Our proxy voting policy recognizes that the appointment of directors from a range of ethnic and racial backgrounds is one avenue to support diversity of thought in pursuit of better decision-making. For the 2023 proxy season, board diversity issues were the largest driver of votes in opposition to director candidates, and we often oppose directors at large companies that do not provide sufficient information on ethnic and racial diversity.

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Despite widespread demand from investors for useful board diversity data, the current disclosure framework does not address investor needs and is best characterized as disorderly and inefficient. There is no formal, standardized source of racial/ethnic, LGBTQ+, or disability data regarding board composition among U.S.-listed companies, so gathering this information requires crucial time, effort, and resources that many investors don't have.

Given the objectives of the SEC to protect investors and maintain fair, orderly, and efficient markets, we respectfully request that the SEC require all companies that trade on U.S. exchanges to disclose diversity metrics in an annual proxy statement or, in cases where there is no proxy filing, in another appropriate document filed with your Commission.

Additionally, we respectfully request that such a rule include the following provisions, which we believe will improve transparency:

- Disclosure based on voluntary self-identification.
- Reporting that disaggregates data by the categories outlined in the Nasdaq Rule and supplemented with a disability disclosure in keeping with the Nasdaq Rule's "Board Matrix" format. We believe this would enable investors to clearly ascertain and compare the level of diversity among directors at all listed companies.

The WSIB 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 our Institutional Relations Director, [James Aber](#).

Sincerely,



Allyson Tucker, CFA, CAIA  
Chief Executive Officer  
Washington State Investment Board

cc via email: Gary Gensler, Chair, the U.S. Securities and Exchange Commission  
Hester Peirce, Commissioner, the U.S. Securities and Exchange Commission  
Caroline Crenshaw, Commissioner, the U.S. Securities and Exchange Commission  
Jaime Lizarraga, Commissioner, the U.S. Securities and Exchange Commission  
Mark Uyeda, Commissioner, the U.S. Securities and Exchange Commission