

December 30, 2020

Kristin Hull, PhD, CEO, Founder  
Nia Impact Capital  
1212 Preservation Park  
Oakland, CA 94601

Re: Notice of Filing of Proposed Rule Change to Adopt Listing Rules Related to Board Diversity (Release No. 34-90574; File No. SR-NASDAQ-2020-081)

Dear Ms. Countryman:

I hope this finds you well. Nia Impact Capital respectfully submits this letter to the U.S. Securities and Exchange Commission ("SEC") to comment on the proposed listing rules filed by The Nasdaq Stock Market LLC ("Nasdaq") related to board diversity (the "Proposal").

Nia Impact Capital, founded in 2017, is an asset manager investing at the intersection of environmental sustainability and social justice. We are strong advocates for diversity in the corporate boardroom. We are working--along with others--to have senior leadership and boards of directors reflect the gender, racial and ethnic and age diversity of the United States workforce. We invest only into those companies that show some diversity on their boards and we then advocate for them to further diversify as we see diversity as an alpha driver.

We at Nia Impact Capital are pleased to see Nasdaq's initiative requiring a company's proactive disclosure of its board diversity. We recognize the research showing that diverse boards – inclusive of gender, race, and ethnicity – are stronger, with better performance.<sup>1</sup> Currently, we at Nia spend significant amount of time seeking information on each of our companies diversity statistics. Investors like ourselves are increasingly demanding information about board diversity. Uniform disclosure standards efficiently advance the ability of investors and all stakeholders to locate and assess this information. In this effort, we support required reporting regarding board diversity and believe that the Proposal represents a meaningful acknowledgment of the importance of board diversity in corporate governance.

<sup>1</sup> [McKinsey & Company: How Diversity Wins – May 2020](#)

Nasdaq's proposed definition of diversity will improve transparency and comparability of disclosures across companies and the Coalition generally supports the Proposal. And, the Proposal could be enhanced by two aspects as follows:

1. Disclosure Required in SEC Filings. The Proposal should require that disclosure regarding board diversity is included in the annual meeting proxy statement.
2. Director-by-Director Reporting. The Proposal should permit compliance through

tabular director-by-director board diversity reporting.

Disclosure Required in SEC Filings. Investors and other stakeholders value the ability to compare data across companies, and to aggregate such data, without undue effort. Permitting companies to satisfy Nasdaq's board diversity reporting requirements with website postings is a start, and yet needs to go further so as not to make comparing this essential data difficult. It is important to make this information available in a manner that available software can be used to compare and aggregate this important data via firms such as [FactSet](#). In order to achieve this necessary level of information, each company should be required to include a board diversity matrix in its annual meeting proxy or information statement filed with the SEC. Companies should be encouraged to post and update this information on their websites in addition to including it in annual SEC filings.

Director-by-Director Reporting. Reporting board diversity on a director-by-director basis provides important advantages for investors and other stakeholders. Nia supports amending the Proposal to require director-by-director disclosure. And, Nia would be supportive of the Proposal in its current form so long as companies are permitted to comply with the reporting requirements by including a uniform, tabular summary matrix that discloses board diversity on a director-by-director basis. Nia supports the template matrix included as *Annex A* ("Preferred Matrix") as the standard template for director-by-director disclosure which has been proposed by the law firm, Ropes and Gray LLP on behalf of the Diverse Director Organizations.

There are several reasons director-by-director reporting is preferred over the aggregate, board-level disclosure proposed by Nasdaq. Nia supports the following opinions provided by Ropes and Gray LLP on behalf of the Diverse Director Organizations:

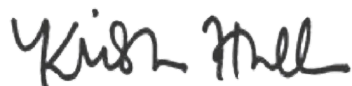
- A. Preferred by Investors, Governance Organizations and Diversity Groups. The Preferred Matrix is endorsed by leading institutional shareholders and corporate governance organizations, all of whom support director-by-director reporting as an important input in their evaluation of corporate governance. These investors and other stakeholders also appreciate that director-by-director reporting facilitates tracking of diversity across companies.
- B. Integrates Intersectionality and a Holistic Approach to Diversity Reporting. The Preferred Matrix allows investors and other stakeholders to view each director's skills and experience, board tenure and demographic information in an integrated table, which presents each diverse director's qualifications beyond such director's identity as a woman or underrepresented minority. Additionally, the Preferred Matrix provides important incremental information regarding intersectionality across race and ethnicity, gender and LGBTQ, as individual directors who identify in multiple diverse categories offer perspectives informed by that intersectionality.
- C. Identifies Diverse Director Leadership Roles. The Preferred Matrix indicates whether a director serves as chair of the company's board or board committees, providing investors and other stakeholders information regarding leadership roles held by diverse directors.

Nia supports the efforts set forth in the Proposal and, we believe the points in this letter would enhance its effectiveness. The rule change included in the Proposal is consistent with the Securities

Exchange Act of 1934 (the “Exchange Act”). Pursuant to Section 6(b)(5) of the Exchange Act, the Nasdaq rules should be designed “to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest ...” Enhancing the efficiency with which investors are able to monitor board diversity at Nasdaq-listed companies would substantially advance investors’ ability to assess the board diversity of their company holdings, which has emerged as a key indicator of corporate governance over the past several years.

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 us at the email and telephone number provided below.

Thank you for your attention to this important issue,

A handwritten signature in black ink that reads "Kristin Hull". The signature is written in a cursive, flowing style.

Kristin Hull, PhD

Nia Impact Capital



Non-Binary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transgender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>SEXUAL ORIENTATION</b>								
Lesbian, Gay, Bisexual or Queer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>2</sup> Prepared by Ropes and Gray LLP