



January 1, 2021

via Email

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

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:

The Thirty Percent Coalition (“Coalition”) 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”).

The Thirty Percent Coalition, founded in 2011, is a pioneer advocating for diversity in the corporate boardroom. 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 advocate for diversity on corporate boards, promoting women and people of color. Focus is on the demand side - collaboratively influencing companies to open their boardroom doors to diversity as they select candidates with the skill sets matched to their corporate strategies.

Coalition membership includes public companies, private equity, institutional investors, state treasurers, professional services firms and advocacy groups working together for the first time. In 2020, Coalition members represented over \$7 trillion in assets under management. As an example of the Coalition’s impact, more than 400 companies have appointed a woman to their boards for the first time, following its “Adopt a Company” campaign. There is no other organization of this kind in the US.

The Coalition applauds Nasdaq’s initiative to require a company’s proactive disclosure of its board diversity. Research has shown that a diverse board – inclusive of gender, race, and ethnicity – is a better performing board.¹ Furthermore, investors are increasingly demanding information about board diversity. Uniform disclosure standards efficiently advance the ability of investors and other stakeholders to locate and assess this information. Accordingly, the Coalition supports required additional reporting regarding board diversity and believes that the Proposal represents a meaningful acknowledgment of the importance of board diversity in corporate governance.

¹ [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. However, 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 only will hamper efforts by interested investors and other stakeholders. 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. The Coalition supports amending the Proposal to require director-by-director disclosure. In lieu of such a requirement, however, the Coalition 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. The Coalition 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 arguments that support director-by-director reporting over the aggregate, board-level disclosure proposed by Nasdaq. The Coalition 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.

The Coalition supports the Proposal as is. However, we believe the comments 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.

Sincerely,



Charlotte Laurent-Ottomane
Executive Director



Toni Wolfman
Co-Chair
Public Policy Outreach Committee



Board Diversity Matrix²

		Board of Directors							
		name	name	name	name	name	name	name	name
Skills & Experience	PROFESSIONAL SKILLS & EXPERIENCE								
	[Specific] Industry Experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	CEO/Business Head	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	International	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Human Capital Management/Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Finance/Capital Allocation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Financial Literacy/Accounting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Government/Public Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Marketing/Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Environmental Science/Policy/Regulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Academia/Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Risk Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Corporate Governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Technology/System	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Business Ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Real Estate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other [Specific]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Leadership & Tenure	[COMPANY NAME] BOARD LEADERSHIP								
	Board Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Audit Committee Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Compensation Committee Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nominating and Corporate Governance Committee Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	[Committee Name] Committee Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demographic Background	BOARD TENURE								
	Years								
	AGE								
	Years Old								
	RACE/ETHNICITY								
	Asian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Black or African American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Hispanic or Latinx	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Native American or Alaska Native	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Native Hawaiian or Pacific Islander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Caucasian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	GENDER								
	Female	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Male	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>	
SEXUAL ORIENTATION									
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"/>	

² Prepared by Ropes and Gray LLP