



January 4, 2021

Via Federal eRulemaking Portal

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

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,

Trillium Asset Management is a registered investment advisor and investment management firm with \$3.5 billion in assets under management. Trillium integrates Environmental, Social, and Governance (ESG) factors into the investment process as a way to identify the companies best positioned to deliver strong long-term performance. Founded in 1982, Trillium has a long history of managing equity and fixed income portfolios for individuals, foundations, endowments, religious organizations, other non-profits, financial advisors and their clients.

Trillium offers investment strategies and services that advance humankind towards a global sustainable economy, a just society, and a better world. For nearly 40 years, the firm has been at the forefront of ESG thought leadership and draws from decades of experience focused exclusively on responsible investing. Devoted to aligning stakeholders' values and objectives, Trillium combines impactful investment solutions with active ownership. The firm delivers equity, fixed income, and alternative investments to institutions, intermediaries, high net worth individuals, and other charitable and non-profit organizations with the goal to provide positive impact, long-term value, and 'social dividends'.

Trillium is pleased to support the recent proposal submitted by Nasdaq to the SEC aimed at advancing diversity among board members of Nasdaq-listed companies and increasing disclosure of diversity statistics. Trillium Asset Management believes that diversity, inclusive of gender and race, is an essential component of sound governance and a critical attribute to a well-functioning organization. We strive to achieve diversity at all levels of our organization and seek to invest in companies that are doing the same—from the mail room to the board room.

As a long-term member of the Thirty Percent Coalition, Trillium Asset Management has joined with other asset managers, and institutional investors, to advocate for greater gender, racial and ethnic diversity at the board level. Our belief that greater diversity of opinion, backgrounds and experience enhances decision-making, improves risk assessments and supports the consideration of all stakeholders is echoed in the findings of research from multiple corporate governance experts and business organizations.¹ Investors benefit when relevant environmental, social and governance (ESG)

¹ See for example, Russell Reynolds, 'Different is Better: Why Diversity Matters in the Boardroom' <https://www.russellreynolds.com/insights/thought-leadership/different-is-better-why-diversity-matters-in-the-boardroom> or Harvard Business Review 'Why and When Diversity Improves your Board's performance' <https://hbr.org/2019/03/when-and-why-diversity-improves-your-boards-performance>
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disclosures including diversity at the board level are made in a transparent and consistent way. Therefore, Trillium is pleased to support the Nasdaq proposal regarding the disclosure of diversity statistics for board members.

In line with our desire as investors to have transparent and comparable information from issuers on boardroom diversity, we would support the additional recommendations made by the Thirty Percent Coalition in favor of:

- mandating disclosure of board diversity data in SEC filings and
- requiring director by director reporting in a tabular format

as these recommendations support investors calls for greater transparency and ease of comparability.

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 that provide financial data services. 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.

Furthermore, we believe the Nasdaq proposal requiring companies to have – or explain why they do not have – at least two diverse directors is in the public’s interest and will enhance corporate governance, board decision-making, investor protections and investor confidence. We believe boards, companies and ultimately the economy benefits when boards reflect the broader demographics of the societies they are part of. Unfortunately, Women and people of color remain significantly underrepresented on U.S. corporate boards. We are encouraged by signs of progress, particularly for women, who filled 45 percent of Russell 3000 new director seats in 2019. Yet 20 percent of companies in the Russell 3000 have all male boards. Women and people of color account for approximately 16.4 percent and 10.6% percent of Russell 3000 directorships, respectively.^{2 3}

In the aftermath of the murder of George Floyd this past summer and other unarmed African-Americans at the hands of law enforcement, racial justice protests have focused the attention of investors and corporate leaders on the deep inequalities that exist in our economy and society. The protests have also spurred pledges to provide capital to Black and Latinx businesses by financial institutions, increased the representation of minority suppliers by retailers and commitments to address workforce diversity across corporate America. The Nasdaq proposal is a reasonable enhancement to disclosure and listing standards that will spur the consideration of a broader set of qualified directors than has taken place in the past.

² <https://www.weinberg.udel.edu/IIRCiResearchDocuments/2019/04/TCB-Corporate-Board-Practices-2019-FINAL.pdf>

³ ISS Analytics U.S. Board Diversity Trends in 2019

Adoption of this proposal will also ensure Nasdaq stays ahead of potential regulation or legislation that could be proposed in the future. New state regulation signals an impatience with the rate of change and importantly affirms that the business and societal benefits of board diversity can no longer be ignored. Companies with executive offices in California^[3] and New Jersey with six members or more must have at least three women board members by 2021 under legislation passed in each state in 2018 and 2019. Legislation passed in New York state requires corporations to report the number and ratio of women on the board including actions to promote gender diversity in annual state filings.^[4] Massachusetts, Illinois, Pennsylvania and Colorado have passed precatory resolutions encouraging companies to diversify their boards. A bill filed in February, 2019 in Illinois^[5] calls for a gender and racial diversity on boards of companies with executive offices in the state.

Trillium Asset Management supports the Proposal as is. However, we believe the additional recommendations in this letter would enhance its effectiveness. The rule change included in the Proposal appears 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.

For the above reasons, we strongly support the Nasdaq proposal.

Sincerely,

L Hayles

Lisa Hayles
Investment Manager

Appendix A: Board Diversity Matrix⁴

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"/>	

⁴ Prepared by Ropes and Gray, LLP

