



September 1, 2017

Honorable Jay Clayton

via Email: [chairmanoffice@sec.gov](mailto:chairmanoffice@sec.gov)

U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609

**Re: Proxy Disclosure of Board Composition**

Dear Chairman Clayton:

The [Thirty Percent Coalition](#) (“the Coalition”) is a national organization representing more than [90 members](#) including public and private companies, professional services firms, and many major women’s organizations and advocacy groups. Within our membership we also have a significant group of Institutional Investors with more than \$3.2 trillion in AUM.

We are writing today to urge you to support enhanced disclosure in the proxy regarding the diversity of corporate boards. As a leading proponent of increasing gender diversity on the boards of both publicly and privately held corporations, the Coalition has long supported the strengthening of existing proxy rules to require companies to make more meaningful disclosure about the individuals who comprise their boards and nominee slates. Our investors have been especially active during the past several years engaging with companies, asking that they enhance their disclosure policies. In this regard, the Coalition requests that companies provide clear information about the gender, racial, and ethnic composition of their boards as well as about their plans for achieving similar diversity among their executive leadership. The Coalition’s position is firmly grounded on studies demonstrating correlation between diversity and long-term corporate performance and diversity and good corporate governance.

Since we last wrote to the Commission a year ago advising such disclosure,<sup>1</sup> the Coalition has been encouraged by the following events, among others:

- The preparation of a Commission staff recommendation to amend the proxy disclosure rule to require more specificity on the race and gender of directors and nominees, as announced by former Chair Mary Jo White in September 2016;
- The recommendations of the Commission’s Advisory Committee on Small and Emerging Companies that the Commission require issuers to disclose the race, gender and ethnicity of all directors and nominees in their proxy statements;
- [The strong statements of support for amending the proxy disclosure rule](#) from the sponsors of bipartisan legislation (U.S. Representatives Carolyn Maloney and Donald Beyer) and 29 House Democrats (Representative Gregory Meeks and others);
- The [Rulemaking petition filed on July 6, 2017 by the Human Capital Management Coalition](#), many of whose members also are members of the Coalition, urging greater corporate reporting and data disclosure;
- The enactment by two more state legislatures ([Colorado](#) and [Pennsylvania](#)) of resolutions calling on

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<sup>1</sup> See, most recently, the Coalition’s letters to former Chair Mary Jo White, dated May 2, 2016 and August 11, 2016, copies of which are attached.

- companies to increase the gender diversity of their leaders in boardrooms and executive ranks;<sup>2</sup>
- The addition of the Morgan Stanley Gender Diversity Investment Framework and the Thomson Reuters Diversity & Inclusion Index to vehicles available to investors for whom corporate board diversity is an important consideration in their investment decisions;
- The continued success of the [Coalition's Institutional Investors Committee in engaging](#) with companies with no women directors;
- The proxy voting guidelines adopted by the Treasurers of [Massachusetts](#) and [Rhode Island](#) and their consequent votes to oppose the election of nominees to boards that lack gender and racial diversity; and
- The recent statements and actions taken by some of the country's largest institutional investors ([State Street Global Advisors](#), [BlackRock](#), Vanguard, BNY Mellon,) challenging companies whose boards lack gender diversity.

The Coalition applauds those companies that have voluntarily disclosed the composition of their boards of directors in summary and graphic form, providing shareholders with a clear picture of the number and percentage of women and minority directors, as well as important factors such as the age range, length of tenure of those directors and nominees and the companies' approach to board refreshment. Such companies describe key issues of good corporate governance so that all shareholders can have information as they exercise their proxies.

Unfortunately, however, many listed companies have not done so. In some cases, moreover, companies appear to have intentionally made it difficult, if not nearly impossible, for the average shareholder to ferret out such important information. Practices such as referring to directors by their first and middle initials, avoiding the use of language that might indicate the gender of a particular director, and omitting photographs of directors from proxy statements are examples of such practices.

Shareholders need clear and comprehensive information to make informed decisions and hold companies accountable for their governance practices. They – and the Coalition – look to the Commission to insure that relevant data is accessible to all shareholders. Accordingly, the Coalition hopes that the Commission will speedily amend the current proxy disclosure rule and require more specific information about the gender, racial, and ethnic diversity of board candidates.

Thank you for your consideration of our views on this important issue.

Sincerely,



Charlotte Laurent-Ottomane  
Executive Director  
Thirty Percent Coalition  
[clo@30percentcoalition.org](mailto:clo@30percentcoalition.org)  
561 789 6022



Toni Wolfman  
Co-Chair  
Public Sector Initiatives  
Thirty Percent Coalition



Mary Hartman Morris  
California State Teachers  
Retirement System  
Co-Chair, Institutional Investors  
Thirty Percent Coalition

Cc: Kara M. Stein, Commissioner, [CommissionerStein@sec.gov](mailto:CommissionerStein@sec.gov)  
Michael S. Piwowar, Commissioner, [CommissionerPiwowar@sec.gov](mailto:CommissionerPiwowar@sec.gov)

<sup>2</sup> Three other states (California, Illinois and Massachusetts) had previously passed similar resolutions. In addition, the Cities of Philadelphia and New York have enacted ordinances requiring disclosure of diversity information from companies seeking public contracts.