

May 10th, 2016

Mary Jo White
Chair, Securities and Exchange Commission
c/o Brent Fields, Secretary
100 F Street, NE
Washington, DC 20549-0609

Dear Chair White,

Re: Disclosure of Board Composition

Boston Common Asset Management is a sustainable investment firm dedicated to generating competitive financial returns and meaningful improvements in corporate performance on environmental, social and governance (ESG) issues. I am writing to you today to express our support for strengthening the existing proxy rules to require companies to disclose the gender and racial composition of their nominees for director and their plans to achieve greater gender and racial diversity among their leadership groups. As a firm dedicated to encouraging company managements towards greater transparency, accountability and disclosure on ESG issues, we believe this proposal is entirely consistent with the interests of investors.

Our interest in greater proxy disclosure on gender & racial diversity

We have a particular interest in this issue as a women and minority-owned business in Massachusetts. As a global investor with investments spanning a multitude of countries, cultures and languages, we are committed to fostering a diverse and inclusive work environment. We believe diversity enriches our efforts, aligns with our integrated investment approach, and is consistent with our goal to be a responsible business.

The business case for diversity is increasingly difficult to ignore. A new study¹ of more than 4,200 public companies reports those with 'strong female leadership' enjoyed a 36.4% greater return on equity over five years than companies without. Research has also found that companies lacking board diversity suffered more governance-related controversies

¹ 'Women on Boards' MSCI November 2015 <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>

than average. Having a diverse set of skills, experience, and backgrounds on boards, is in our view, an essential component of good corporate governance and long-term business success.

Our work to encourage Greater Boardroom Diversity

1. Proxy Voting and Company Engagements

On behalf of our clients, Boston Common votes proxies in order to encourage long-term thinking by corporate managements. Our guidelines ensure we vote proxies in support of respect for human rights, gender equality and environmental stewardship; and advocate for ethical, transparent and accountable corporate cultures.

The right of shareholders to vote for or against resolutions at a company's annual general meeting is a valuable way for investors to influence corporate behavior. We routinely vote against boards of directors if they do not have sufficient gender and racial diversity in the U.S., UK and Canada.

In the U.S., we also file shareholder resolutions promoting increased board diversity. As the result of a shareholder proposal co-filed by Boston Common this proxy season, Cognizant Technologies amended its governance guidelines and agreed to emphasize its commitment to seeking out qualified women and minority director candidates.

We have also co-filed a resolution with Discovery Communications for the second year in a row encouraging the board to take positive action to correct the lack of meaningful diversity among its members, particularly the lack of any female directors as the firm is an outlier relative to their sector peers. Last year, this proposal received 23.1% of the vote, which is a significant result given how closely held the shares are. We are looking forward to a discussion of our proposal at Discovery's AGM will be held on May 19th.

2) Women's Empowerment Principles

In 2015, Boston Common became a signatory to the Women's Empowerment Principles (WEP), a partnership of UN Women and the UN Global Compact. The WEP encourages engagement with business, civil society, the United Nations, and governments to advance and empower women in the workplace, marketplace, and community. A recent McKinsey & Company study estimates that in a comprehensive scenario in which both genders "play

identical roles in the labor markets, roughly \$28 trillion, or 26%, could be added to global annual GDP in 2025.”²

3) *30% Coalition*

The [Thirty Percent Coalition](#), of which Boston Common is a member, is a national non-profit dedicated to increasing the gender and racial diversity of boards at publicly listed companies. It enjoys support of investors with \$3 trillion in assets under management, and has been engaging in a multi-year letter-writing campaign directed to Russell 1000 companies, most recently including 160 companies in the S&P 500 and Russell 1000 that have no women on their boards. Boston Common and other coalition members have filed a total of 25 resolutions at companies asking for reports on their boards' plans to increase diverse representation, including an assessment of how effective such efforts have been up to now.

These initiatives are all designed to help us act in the best interest of our clients by promoting, wherever possible, what the firm believes are the best global corporate governance practices. Requiring greater disclosure of the gender and racial composition of corporate boards will go a long way towards countering the antiquated belief that the problem of boardroom diversity is the result of an inadequate pipeline of qualified women and minority candidates.

Boston Common welcomes the completion of the SEC's staff review and are hopeful that the proposed amendments to the current proxy disclosure rule will be adopted. Disclosure of more specific information about the gender and racial diversity of board candidates will make the proxy an even more meaningful document to investors.

Thank you in advance for your work on this important issue.

Sincerely,

Lisa Hayles
Institutional Investment Services
Boston Common Asset Management

² Woetzel, Jonathan et al. 'How Advancing Women's Equality can add \$12 Trillion to Global Growth' McKinsey and Co <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>