

November 2, 2023

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

Via electronic mail

Re: Corporate Board Diversity RIN: 3235-AL91

Dear Secretary Countryman:

Boston Trust Walden Company (Boston Trust Walden) respectfully submits this letter to the U.S. Securities and Exchange Commission (“SEC”) to comment on its consideration of a rule proposal related to corporate board diversity.

Boston Trust Walden is an independent, employee-owned investment management firm with approximately \$14.3 billion in assets under management (AUM)¹. Our firm has been integrating environmental, social, and governance (ESG) factors into investment decisions since 1975 — one of the longest track records of any institutional investment manager. Simply stated, we seek to invest in enterprises with strong financial underpinnings, sustainable business models, prudent management practices, and a governance structure that supports these objectives. Consideration of ESG factors is part of our fiduciary duty to ensure client assets are invested in a set of securities well situated to produce attractive risk-adjusted returns over a long-term investment horizon.

We view board diversity — inclusive of gender, race, and ethnicity — as a critical attribute of a well-functioning board and a measure of sound governance. As such, over the last 30 years, Boston Trust Walden has integrated board diversity considerations into our proxy voting policies, engaged hundreds of companies to strengthen board diversity composition and governance guidelines, and advocated for smart public policy addressing board diversity disclosure²³. While we celebrate the progress that has been made, we recognize corporate boardrooms still do not reflect the U.S. labor force and quality disclosure remains lacking, despite the voluminous body of research indicating board diversity is associated with better company performance and lower risk.⁴

Boston Trust Walden is a member of the Thirty Percent Coalition, a group of institutional investors, representing over \$8 trillion in assets under management, working to achieve identifiable improvements in board diversity and related recruitment practices, corporate governance policies, and shareholder disclosures. Many of its members, including Boston Trust Walden, factor corporate board diversity into proxy voting decisions and may vote against boards of companies who do not disclose diversity data.

Boston Trust Walden’s proxy voting policy⁵ specifies that the firm may vote against/withhold from individual directors (except new nominees) who:

- Serve as members of the nominating committee at a company:
 - Without at least one director who self-identifies as female and one director who self-identifies as racially or ethnically diverse;
 - Without explicit consideration of gender, racial, and ethnic diversity in all director searches; and
 - Where the board is less than 40 percent diverse.

¹ AUM as of September 30, 2023

² https://www.bostontrustwalden.com/wp-content/uploads/2021/01/Nasdaq-SEC-Comment-Letter-12-2020_final.pdf

³ https://www.bostontrustwalden.com/wp-content/uploads/2022/02/5th-Cir.-21-60626-dckt_000-filed-2022-02-24.pdf

⁴ [Diverse boards outperform peers](#)

⁵ [Boston Trust Walden Proxy Voting Policy 2023](#)

Despite broad consensus that board diversity data is decision-useful to investors and widespread demand among investors for such information, the current disclosure framework does not address investor needs and is best characterized as disorderly and inefficient. With no formal, standardized source of gender, racial, and ethnic diversity data regarding board composition across U.S. listed companies, gathering this information requires investors to spend crucial time, effort, and money to attempt to locate this data. Proposed disclosure requirements would provide consistent, comparable, credible information needed to implement voting policies and make investment decisions.

Given the objectives of the SEC to protect investors and maintain fair, orderly, and efficient markets, we respectfully request the SEC require all companies that trade on U.S. exchanges to disclose diversity metrics in the proxy statement or, if there is no proxy filing, in another appropriate document filed with the SEC.

Additionally, we request that such a rule include provisions to advance transparency, such as:

- Disclosure based on voluntary self-identification; and
- Reporting that disaggregates data by gender and each major ethnic, racial, and other major population segment, such as those required by the Nasdaq listing standard (i.e., “Board Matrix”), which enables investors to clearly ascertain the level of ethnic, racial, and gender diversity among directors and facilitates comparability across companies.

Boston Trust Walden 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 me at aagustine@bostontrustwalden.com.

Sincerely,

Amy D, Augustine
Director, ESG Investing

cc by email:
Chair Gary Gensler
Commissioner Caroline Crenshaw
Commissioner Jaime Lizárraga
Commissioner Hester Peirce
Commissioner Mark Uyeda