

Vanessa Countryman,  
Secretary U.S. Securities and Exchange Commission  
100 F Street, NE Washington, D.C. 20549-1090

**Re: SR-NASDAQ-2020-081 – Proposed Rule Change to Adopt Listing Rules Related to Board Diversity**

Dear Secretary Countryman,

We are writing to express our support for the proposed rule change that the Nasdaq Stock Market LLC (“Nasdaq”) filed to adopt rules related to board diversity, pursuant to Rule 19b-4 under the Securities Exchange Act of 1934.

We are the founders of BoardReady, a non-profit dedicated to improving board diversity at public and private companies across the United States. In our experience on boards in the United States, The United Kingdom, and Canada, diverse boards exhibit a broader range of perspectives than homogeneous boards do, which can broaden a company's awareness of risk and revenue opportunities. In many industries, a diverse board is paramount to representing multiple stakeholder perspectives. Company shareholders, customers and employees are all more diverse than the average corporate board.

Numerous studies have found a relationship between board diversity and company performance. In today's business climate, very few, if any standardized rules exist for reporting board diversity, even though it is a topic that can materially impact investment decisions. We believe that the rules proposed by Nasdaq will bring transparency to board composition, which has historically been opaque and provide important insight for investors, trying to ensure that their investments align with current best practices. For many investors, those best practices include board diversity. As a result, creating a transparent system to measure board diversity and develop targets for companies to meet will have a positive impact well beyond the individual companies on the Nasdaq.

Progress on boardroom diversity has been extremely slow, despite the evidence of its benefits. Black and African American directors only comprise 4.1% of Russell 3000 board seats in the U.S.,<sup>1</sup> 72% of Fortune 1000 companies have no Asian directors,<sup>2</sup> and Hispanic and Latino directors only make up 2.28% of S&P 1500 board seats.<sup>3</sup> These numbers have changed minimally in the past decade, indicating that more direct targets are necessary to address what are materially unequal hiring practices. Due to the lack of reporting requirements, such numbers are difficult to determine for companies listed on the Nasdaq, though 18% of the companies on the Nasdaq do not have a female board director.<sup>4</sup>

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<sup>1</sup> <https://hbr.org/2020/08/why-do-boards-have-so-few-black-directors>

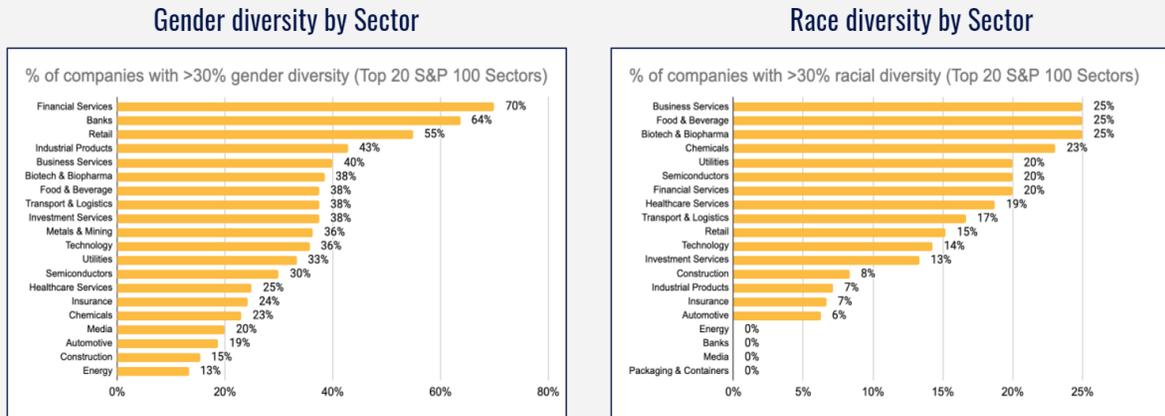
<sup>2</sup> [https://www.prnewswire.com/news-releases/ascend-kpmg-report-on-the-state-of-asian-representation-on-fortune-1000-boards-](https://www.prnewswire.com/news-releases/ascend-kpmg-report-on-the-state-of-asian-representation-on-fortune-1000-boards-301123270.html#:~:text=Despite%20a%20perception%20that%20Asians,not%20have%20an%20Asian%20director.)

[301123270.html#:~:text=Despite%20a%20perception%20that%20Asians,not%20have%20an%20Asian%20director.](https://www.prnewswire.com/news-releases/ascend-kpmg-report-on-the-state-of-asian-representation-on-fortune-1000-boards-301123270.html#:~:text=Despite%20a%20perception%20that%20Asians,not%20have%20an%20Asian%20director.)

<sup>3</sup> [https://latinocorporatedirectors.org/docs/S\\_P\\_1500\\_Board\\_Seats\\_total\\_number\\_and\\_percentage.pdf](https://latinocorporatedirectors.org/docs/S_P_1500_Board_Seats_total_number_and_percentage.pdf)

<sup>4</sup> <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/nasdaq-diversity-proposal-puts-thousands-of-company-boards-on-notice-61558109>

BoardReady has been working to gather racial diversity data for publicly traded boards, beginning with the S&P data set, but nothing is as accurate as self-reporting. Below is a graph highlighting diversity of the S&P by sector across race and gender:



These two charts highlight that diversity metrics improve with reporting requirements as largely evidenced when comparing progress in gender diversity vs. racial diversity.

This proposal has the potential to positively impact businesses, investors, and professionals all over the United States. Nasdaq’s proposal is not excessive and compares favorably with the laws passed in California and Washington State to improve board diversity. We appreciate your consideration on this important topic, and we welcome further engagement on any point that we have enumerated.

Thank you,

Deanna Oppenheimer, Phyllis Campbell & Charlotte Guyman

[www.boardready.io](http://www.boardready.io)