



PRESS RELEASE

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STATE TREASURERS, NYC COMPTROLLER, & PRIVATE INSTITUTIONAL INVESTORS LAUNCH NORTHEAST INVESTORS' DIVERSITY INITIATIVE

Coalition Pushes Board Diversity Benefits and Best Practices; Urges Region's Companies to Appoint More Women and People of Color to Boards of Directors

HARTFORD, CT — Today, Connecticut State Treasurer Shawn T. Wooden, along with institutional investors from states across the region, announced the **Northeast Investors' Diversity Initiative**, a regional partnership dedicated to increasing corporate board diversity— inclusive of gender, race, and ethnicity—at companies headquartered in the Northeast. With a total of more than \$283 billion in assets under management, the investor coalition intends to leverage their corporate relationships and shareholder rights to encourage boardroom diversity and inclusion.

Studies have shown that companies with more diverse executive teams are more likely to experience above-average profitability and outperform their peers with less diverse leadership. Modeled after the successful Midwest Investors' Diversity Initiative, the Northeast initiative will engage mid-sized regionally-based companies on improving board diversity as a way to protect shareholder value and maximize returns.

“As investors, we want companies—especially those in our backyard—to understand the critical role that diversity and inclusion play in good governance, and how good governance maximizes returns,” said **Connecticut State Treasurer Shawn Wooden**. *“Through the Northeast Investors' Diversity Initiative, we'll be able to focus engagement on companies in our region and support them with important tools to create more inclusive, effective boards that protect shareholder value.”*

Leading the Northeast Initiative, the Connecticut State Treasurer is joined by the State Treasurers of Massachusetts, Rhode Island, Maine and Vermont; the New York City Comptroller and New York-based Miller/Howard Investments; Massachusetts-based Boston Trust Walden, Trillium Asset Management, and Zevin Asset Management; and New Hampshire-based Pax World Funds.

“A diverse workforce and leadership team are essential to success. As Treasurer, I have made this one of my top priorities,” said **Massachusetts State Treasurer Deborah B. Goldberg**. *“Recruiting, investing in, and retaining a diverse board is not just a social goal, it is a business imperative. I am thrilled to join my colleagues on this initiative which will further enhance opportunity and inclusion at companies across New England.”*

“Increasing diversity in corporate America has been our priority since day one, and through our Boardroom Accountability Project, we've helped increase diversity in boardrooms at many of the country's largest companies,” said **New York City Comptroller Scott M. Stringer**. *“Now, with our partners in the Northeast Investors' Diversity Initiative, we're keeping the pressure on to change the face of corporate America.”*

“An increasing body of research shows that companies with stronger diversity at the senior level tend to outperform those companies that lack diverse leadership teams,” said **Rhode Island General Treasurer Seth Magaziner**. *“As long-term investors we believe that board diversity, inclusive of skills, gender and ethnicity is an important consideration as we work to protect shareholder value and maximize returns for our members.”*

Among other best practices, the Northeast Investors' Diversity Initiative (NIDI) recommends companies adopt a diverse search policy known as the “Rooney Rule.” Borrowed from the NFL diversity policy, the Rooney Rule requires board's nominating committees to include women and minority candidates in the pool of candidates considered for an open corporate board seat.

“We believe benefits associated with board and management diversity include a larger candidate pool from which to pick top talent, better understanding of consumer preferences, a stronger mix of leadership skills, and improved risk management,” said **Amy Augustine, Director, ESG Investing at Boston Trust Walden Company**. *“In essence, good board diversity is a strong indicator of good governance.”*

“Board diversity has long been one of our priority engagement areas because the data are clear — where women are better represented in corporate leadership, businesses perform better,” said **Heather Smith, Vice President of Sustainable Investing at Pax World Funds**. *“Companies that understand this and diversify their boards and management teams not only position themselves to generate long-term value for their shareholders but also help move our society closer to gender equality. We're delighted to be part of this new partnership.”*

“We're honored to join the Northeast Investors' Diversity Initiative and to encourage more diverse and inclusive boards in our region,” said **Luan Jenifer, President at Miller/Howard Investments**. *“Equality is good for business.”*

“Trillium is pleased to join the Northeast Investors' Diversity Initiative. With over 35 years of experience in shareholder advocacy Trillium has found that dialogue and filing shareholder proposals is an effective way to have a positive impact on company policies, practices and performance,” said **Matthew Patsky, CEO and Portfolio Manager of Trillium Asset Management**. *“Not only are there recognized business risks associated with the lack of board*

diversity, but social risks exist – in the form of long-term negative impacts of inequality affecting women and under- represented minorities. We look forward to working with many investor colleagues in this collective effort to strengthen diversity in the board rooms and C-Suites of companies in the Northeast.”

There is compelling research supporting the conclusion that a diverse board creates shareholder value. This research is consistent with the general consensus among academics, industry specialist, and financial analysts that diverse boards enhance performance. For example, [McKinsey & Company research](#) found:

- Companies in the top quartile for racial and ethnic diversity are **33% more likely** to outperform on profitability than companies in the bottom quartile.
- Companies in the top quartile for gender diversity on their executive teams were **21% more likely** to experience above-average profitability than companies in the fourth quartile.

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