



United States Senate

January 7, 2021

Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
Re: SR-NASDAQ-2020-081

Dear Ms. Countryman,

I write to urge the U.S. Securities and Exchange Commission (SEC) to approve Nasdaq's proposed rule to increase transparency regarding the diversity of the boards of directors of Nasdaq's listed companies.

There is already substantial evidence that greater diversity among corporate board members contributes to a range of better outcomes. For example, a 2018 McKinsey study found a "statistically significant correlation between a more diverse leadership team and financial outperformance." Another study published in October 2020 in *Humanities & Social Sciences Communications* found that greater board diversity is associated with greater innovation. And in 2019, the *Wall Street Journal* published research that found that S&P 500 companies with greater board diversity performed better on a range of metrics.

Moreover, a large and growing body of investors are interested in diversity information both to improve the performance of their portfolios and to promote social goals in their investment decisions. Nasdaq proposes to meet this demand by requiring disclosure of board diversity and for its listed companies to have at least two diverse board members or, if they do not, to explain why.

Other countries and some states—including my home state of California—already require such reporting on the diversity of corporate boards of directors. I believe Nasdaq's proposed rule is in the interest of investors and strikes an appropriate balance between strongly encouraging board diversity while not making it mandatory. I urge the SEC to approve the proposed rule.

Sincerely,

A handwritten signature in blue ink that reads "Dianne Feinstein".

Dianne Feinstein

Dianne Feinstein
United States Senator