

## Boston Trust Walden (BTW) comments on Key Proposed Policy Changes

Board Diversity, Race, and Ethnicity (U.S): Proposed policy to generally recommend voting against the chair of the nominating committee where there are no identified ethnic or racially-diverse board members, beginning in 2022. Mitigating factors will be considered.

We support this change:

- We suggest that ISS use EEOC defined racial/ethnic categories to determine compliance with the proposed policy and that ISS include this datapoint in its ISS proxy research.
- Given the tight timeframe of 2022, just one proxy season away, we suggest mitigating factors include:
  - demonstrated good faith efforts and/or plans to add racial/ethnic diversity;
  - if a company has leading practice nominating processes, including a commitment to the “Rooney Rule,” consider compelling arguments that board refreshment or expansion is not judicious.

BTW supports the following proposed policy changes relevant to our holdings:

- Board Diversity, Gender (Canada, UK, etc.), which are justified by local market conditions/regulations.
- Board Composition (Japan)—harmonizing expectations on outside directors with a statutory auditor structure and policy on companies with significant cross-holdings.
- Director Accountability—Significant ESG risk oversight failures may trigger votes against board members on a case-by-case basis.
- Director Overboarding—extending Continental European director policy to full European.
- Shareholder Litigation Rights
- Disclosure—minimum remuneration disclosure guidelines

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