



MIDWEST INVESTORS DIVERSITY I N I T I A T I V E

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Midwest Investors Initiative Continues to Affect Change in Corporate Boards

(SPRINGFIELD, IL) – The [Midwest Investors Diversity Initiative](#) (“MIDI”), a 15-member alliance of Midwest-based institutional investors with more than \$1 trillion in assets under management and advisement, reported progress today on its efforts to increase board diversity at companies.

During the 2023-2024 proxy season, MIDI members engaged 13 companies, specifically related to their board diversity. These engagements resulted in:

- Eight companies appointed or committed to appoint a diverse director, one of which appointed two diverse directors
- All 13 companies engaged adopted a diverse search policy
- Four companies adopted corporate search policies aligned with the Rooney Rule, which requires consideration of women and people of color for every board seat
- Nine companies disclosed their board makeup
- One company disclosed their Equal Employment Opportunity (EEO)-1 report.

“Better decisions are made when diverse perspectives are contributing. MIDI remains focused on working together with companies to identify best practices, provide recommendations, and enhance board diversity,” said Illinois State Treasurer Michael Frerichs, whose office co-leads MIDI.

A [2023 McKinsey report](#) found that companies with higher levels of diverse representation on executive teams have a higher likelihood to outperform peers, by as much as 39 percent in terms of profitability, bolstering results found in similar studies from 2020, 2018 and 2015. In addition, a [recent study](#) of more than 4,000 North American companies demonstrated that board gender diversity increases board effectiveness and is tied to better financial performance.

Since 2016, when the group was formed, MIDI has engaged 91 companies on the issue of board diversity. Among MIDI-engaged companies that appointed new board directors, 57 percent were women or people of color (143 of the 252 new board directors). Of these 143 diverse directors who received board appointments:

- 111 appointed were women

- 75 appointed were people of color
- 42 appointed were women of color.

Further, among all companies engaged by MIDI since the alliance's inception, that are still publicly traded, 66 (86 percent) now publicly disclose board diversity data; 76 (99 percent) have a policy to include diverse candidates in the search process; and 12 (16 percent) publicly disclose their EEO-1 report.

"MIDI continues to provide a vital service that benefits both investors and companies in the United States," said Max Dulberger, Director at Segal Marco Advisors, which co-leads MIDI along with the Illinois State Treasurer. "For nearly a decade, MIDI has engaged and worked with over 90 companies, helping them access resources and adopt practices shown to increase board diversity, increase transparency, and ultimately help them be successful, inclusive, and profitable."

MIDI is among the first investor initiatives to focus efforts on enhancing progress on racial, ethnic, and gender diversity within corporate boards. In doing so, MIDI offers guidance and tools to help company nominating and governance committees related to various areas such as adopting policies for the search and inclusion of diverse board candidates or interviewees, annually disclosing the gender, race and ethnicity of board directors, and expanding the candidate pools for board members.

Frerichs said this work will remain a key priority for the institutional investors within MIDI as there continues to be broad consensus among academics, analysts, and industry professionals that diverse boards enhance performance and shareholder value.

Given the correlation between diversity and long-term financial outperformance, MIDI aims to offer tailored guidance to help companies take steps to diversify their boards and enhance disclosure practices. [MIDI's website](#) provides resources that can be used to assist corporate boards in identifying best practices and resources related to diverse search policies, board composition strategies, succession planning and skills matrixes.

Additional MIDI members include: Segal Marco Advisors (Illinois), the Illinois State Board of Investment, Minnesota State Board of Investment, School Employees Retirement System of Ohio, SEIU Master Trust (Illinois), Wespeth Benefits and Investments (Illinois), Ariel Investments (Illinois), Seventh Generation Interfaith Coalition for Responsible Investment (Wisconsin), Treasurer of the City of Chicago (Illinois), Trinity Health (Michigan), the Saint Paul & Minnesota Foundation, Legal & General Investment Management America (Illinois), UAW Retiree Medical Benefits Trust (Michigan) and YWCA Metropolitan Chicago. Click [here](#) to learn more.

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About the Midwest Investors Diversity Initiative

The Midwest Investors Diversity Initiative (MIDI) is a group of Midwest-based institutional investors dedicated to increasing racial, ethnic, and gender diversity on corporate boards. With over \$1 trillion in assets under management and advisement, MIDI uses corporate engagements and shareholder rights to protect shareholder value and maximize returns. Click [here](#) to learn more.