



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

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### **Investor Coalition Seeks More Diversity on Corporate Boards**

*95 women and persons of color appointed to  
board seats in response to investor outreach*

**SPRINGFIELD, IL** – The [Midwest Investors Diversity Initiative](#) (“MIDI”), a 16-member alliance of institutional investors with more than \$820 billion in assets under management and advisement, reported progress today on its efforts to increase board diversity at Midwest-based companies.

During the 2021-2022 season, MIDI engaged 19 companies, working collaboratively to help each firm take steps to diversify their boards. Among the 19 companies engaged:

- Five companies appointed, or announced their commitment to appoint, at least one woman or person of color to their board of directors.
- Four companies committed to adopt policies that prioritize diversity as a factor in candidate search processes.
- Nine companies committed to publicly disclose the gender and racial/ethnic diversity of their board members.
- Three companies committed to disclose their workforce demographics data as available on their EEO-1 report.

Since 2016, when the group was formed, MIDI has engaged 70 companies on the issue of board diversity. Among the companies engaged, 95 women and persons of color have received board appointments (75 women and 38 persons of color, including 18 women of color); 46 companies now publicly disclose board diversity data; and 51 companies have adopted a policy to include diverse candidates in the search process.

“Research shows that diversity is good for business,” said Illinois State Treasurer Michael Frerichs, whose office co-leads MIDI. “When companies build a diverse leadership team, workforce and inclusive culture, they better position themselves to innovate, attract better talent, reach more customers, and increase productivity. We also know that change is hard, especially inside our nation’s boardrooms. Many corporate leaders agree that diversity benefits their operations and board performance. Our focus is to help them navigate this change.”

MIDI is among the first investor initiatives to call for racial and ethnic diversity, in addition to gender diversity, on corporate boards. MIDI offers guidance and tools to help companies take steps to diversify their boards, working with company nominating and governance committees to:

- Adopt a policy for the search and inclusion of board candidates that are women or persons of color.
- Require that women and persons of color are interviewed for every open board seat (“The Rooney Rule”).
- Instruct third party search firms to include such candidates in the initial pool.
- Disclose the gender and race/ethnicity of individual board directors as separate reporting elements annually via a board matrix or other proxy disclosure.
- Expand the candidate pool to include candidates from non-traditional sources, such as candidates outside the C-suite or qualified first-time directors.

“A board that seeks to promote multiple strategic perspectives needs to prioritize diversity at the start of the recruitment process. MIDI’s work helps keep a spotlight on the issue to the benefit of boards and investors,” said Rosa Limas, VP at Segal Marco Advisors, co-lead of MIDI.

There is broad consensus among academics, industry specialists and financial analysts that diverse boards enhance performance and shareholder value. A 2020 McKinsey report found companies with higher levels of diverse representation on executive teams have a higher likelihood to outperform, echoing results found in similar studies from 2018 and 2015. Researchers found that companies with the highest levels of racial and ethnic diversity at the executive level outperformed by 36 percent in terms of profitability.<sup>1</sup>

Given the correlation between diversity and long-term outperformance, MIDI offers customized guidance to help companies take steps to diversify their boards and enhance disclosure practices, including the [Company Toolkit for Board Diversity & Disclosure](#) and [Examples of Diverse Candidate Search Language](#). These tools assist corporate boards in identifying best practices and resources related to diverse search policies, board composition strategies, succession planning and skills matrixes.

MIDI collaborates with and complements the work of the [Thirty Percent Coalition](#). Founded in 2011, the Thirty Percent Coalition is a national organization advocating for diversity on corporate boards, promoting women and people of color. Representing more than \$8 trillion in assets under management, membership includes public companies, private equity, institutional investors, state treasurers, professional services firms and advocacy groups working towards the shared goal of diverse boards. Many MIDI members are also active participants in the Thirty Percent Coalition.

MIDI is co-led by the Illinois State Treasurer’s Office and Segal Marco Advisors. Additional MIDI members include: the Illinois State Board of Investment, Minnesota State Board of Investment, Ohio Public Employees Retirement System, School Employees Retirement System of Ohio, SEIU Master Trust (Illinois), Wespath Benefits and Investments (Illinois), Ariel Investments

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<sup>1</sup> <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>

(Illinois), Seventh Generation Interfaith Coalition for Responsible Investment (Wisconsin), Sundance Family Foundation (Minnesota), Treasurer of the City of Chicago (Illinois), Trinity Health (Michigan), the Saint Paul & Minnesota Foundation and YWCA Metropolitan Chicago.

### MIDI-Engaged Companies that Added (or Committed to Add) Diverse Board Members

2022	2021	2020	2019	2018	2017
<ul style="list-style-type: none"> <li>•Clearfield*</li> <li>•Perficient</li> <li>•Shoe Carnival</li> <li>•Heritage-Crystal Clean</li> <li>•Verso Corp.</li> </ul>	<ul style="list-style-type: none"> <li>•Ramaco Resources*</li> <li>•Retail Value</li> <li>•Air Transport Services Group*</li> <li>•First Financial Corp.*</li> <li>•AAR Corp.</li> </ul>	<ul style="list-style-type: none"> <li>•Lancaster Colony Corp.*</li> <li>•ANI Pharmaceuticals*</li> <li>•Marten Transport</li> <li>•Century Aluminum</li> <li>•Bio-Techne</li> <li>•Artisan Partners</li> <li>•Escalade</li> <li>•Navistar</li> </ul>	<ul style="list-style-type: none"> <li>•American Axle*</li> <li>•Assertio Therapeutics*</li> <li>•Exact Sciences Corp.</li> <li>•Gardner Denver Holdings</li> <li>•NACCO Industries</li> <li>•REX American</li> <li>•CNA Financial Corp.*</li> <li>•Northern Trust Corp.*</li> <li>•Sherwin-Williams</li> <li>•United Continental Holdings</li> <li>•Tribune Media Co.</li> <li>•Generac</li> <li>•EXACT Sciences*</li> <li>•Parker-Hannifin*</li> </ul>	<ul style="list-style-type: none"> <li>•Ferro Corp.</li> <li>•First Industrial Realty Trust*</li> <li>•Taubman Centers*</li> <li>•Littelfuse*</li> <li>•Rockwell Medical*</li> <li>•Thor Industries*</li> <li>•CME Group*</li> <li>•Hub Group*</li> <li>•Marathon Petroleum Corp.*</li> <li>•Mondelez*</li> <li>•Steel Dynamics</li> <li>•Spectrum Brands*</li> <li>•TFS Financial*</li> </ul>	<ul style="list-style-type: none"> <li>•Knowles Corp.*</li> <li>•SPS Commerce*</li> <li>•A Schulman Industries</li> <li>•The Tile Shop*</li> <li>•TransDigm Group.*</li> <li>•Chimera Investment Corp.*</li> <li>•Allscripts*</li> <li>•United HealthGroup</li> </ul>

\* Companies that added more than one diverse board member

## MIDI-Engaged Companies that Adopted Diverse Search Policies

2022	2021	2020	2019	2018	2017
<ul style="list-style-type: none"> <li>•OptimizeRx Corporation</li> <li>•Perficient</li> <li>•R1 RCM</li> <li>•Southern Missouri Bancorp</li> </ul>	<ul style="list-style-type: none"> <li>•Medpace Holdings</li> <li>•Skyline Champion Corp</li> <li>•Century Aluminum</li> <li>•First Financial Corp</li> <li>•Lancaster Colony Corp</li> <li>•Allscripts</li> <li>•Steel Dynamics</li> <li>•Huron Consulting</li> <li>•Groupon</li> <li>•Ramaco Resources</li> <li>•Retail Value</li> <li>•Medspace Holdings</li> <li>•Air Transport Services Group</li> <li>•Skyline Champion</li> </ul>	<ul style="list-style-type: none"> <li>•AAR Corp</li> <li>•Artisan Partners Asset Management</li> <li>•Lancaster Colony Corp</li> <li>•Heritage-Crystal Clean Inc.</li> <li>•ANI Pharmaceuticals, Inc.</li> <li>•Escalade, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>•American Axle</li> <li>•Assertio Therapeutics</li> <li>•Bio-Techne Corporation</li> <li>•Exact Sciences Corp.</li> <li>•Generac Holdings</li> <li>•Gardner Denver Holdings</li> <li>•Parker Hannifin</li> </ul>	<ul style="list-style-type: none"> <li>•Century Aluminum</li> <li>•CME Group</li> <li>•Ferro</li> <li>•First Industrial Realty Trust</li> <li>•Gogo Inflight</li> <li>•Marathon Petroleum</li> <li>•Taubman Centers</li> <li>•United Continental Holdings</li> <li>•Northern Trust</li> </ul>	<ul style="list-style-type: none"> <li>•Knowles Corp.</li> <li>•Littelfuse</li> <li>•Marten Transport</li> <li>•Rex American Resources Corporation</li> <li>•SPS Commerce</li> <li>•Thor Industries</li> <li>•The Tile Shop</li> <li>•TransDigm Group</li> <li>•Chimera Investment Corp.</li> </ul>

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### ***About the Midwest Investors Diversity Initiative***

*The Midwest Investors Diversity Initiative (MIDI) is a group of institutional investors dedicated to increasing racial, ethnic, and gender diversity on corporate boards of companies headquartered in Midwestern states. With over \$820 billion 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.*