



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

FOR IMMEDIATE RELEASE

July 14, 2021

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Midwest Investors Diversity Initiative Moves Needle for More Women and Persons of Color on Corporate Boards *46 companies appoint diverse directors and 34 adopt diverse search policies in response to investor alliance 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 2020-2021 season, MIDI engaged 21 companies. Six companies appointed women or persons of color to their board of directors and seven committed to adopt policies that prioritize diversity as a factor in candidate search processes. Since 2016, when the group was formed, MIDI has undertaken 75 company engagements. Among the companies engaged, 90 women and persons of color have received board appointments and 34 companies have adopted a diverse search policy.

“We know that diversity is good for business,” said Illinois State Treasurer Michael Frerichs, who leads MIDI. “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. 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 women and persons of color as board candidates;
- Require women and persons of color to interview for every open board seat (i.e. “The Rooney Rule”);
- Instruct third party search firms to include such candidates in the initial pool; and
- Expand the candidate pool to include candidates from non-traditional sources.

“Inclusive recruitment is a key requirement for any company aspiring to seat a diverse set of directors best positioned to drive corporate success,” said Maureen O’Brien, Vice President and Corporate Governance Director at Segal Marco Advisors, co-lead of MIDI. “MIDI continues to play an important role in bringing focus to board diversity on a local level.”

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.¹

Given the correlation between diversity and long-term outperformance, MIDI offers customized guidance to help companies take steps to diversify their boards, including the [Diverse Search Company Toolkit](#) and [Examples of Candidate Diverse 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](#), with the majority of its participants being active members. 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 \$7 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.

MIDI members include: the Office of the Illinois State Treasurer, Segal Marco Advisors, the Illinois State Board of Investment, Minnesota State Board of Investment, Ohio Public Employees Retirement System, School Employees Retirement System of Ohio, the, SEIU Master Trust (Illinois), Wespath Benefits and Investments (Illinois), UAW Retiree Medical Benefits Trust (Michigan), Seventh Generation Interfaith Coalition for Responsible Investment (Wisconsin), Sundance Family Foundation (Minnesota), Treasurer of the City of Chicago (Illinois), Ariel Investments (Illinois), Trinity Health (Michigan), the Saint Paul & Minnesota Foundation and YWCA Metropolitan Chicago.

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

MIDI-Engaged Companies that Adopted Diverse Search Policies

2021	2020	2019	2018	2017
<ul style="list-style-type: none"> •Medpace Holdings •Skyline Champion Corp •Century Aluminum* •First Financial Corp •Lancaster Colony Corp •Allscripts •Steel Dynamics* 	<ul style="list-style-type: none"> •AAR Corp •Artisan Partners Asset Management •Lancaster Colony Corp •Heritage-Crystal Clean Inc. •ANI Pharmaceuticals, Inc. •Escalade, Inc. •SPS Commerce* 	<ul style="list-style-type: none"> •American Axle •Assertio Therapeutics •Bio-Techne Corporation •Exact Sciences Corp. •Generac Holdings •Gardner Denver Holdings •Parker Hannifin •Steel Dynamics 	<ul style="list-style-type: none"> •Century Aluminum •CME Group •Ferro •First Industrial Realty Trust •Gogo Inflight •Marathon Petroleum •Taubman Centers •United Continental Holdings 	<ul style="list-style-type: none"> •Knowles Corp. •Littelfuse •Marten Transport •Rex American Resources Corporation •SPS Commerce •Thor Industries •The Tile Shop •TransDigm Group

* Companies that strengthened previously adopted diverse search policies

MIDI-Engaged Companies that Added Diverse Board Members

2021	2020	2019	2018	2017
<ul style="list-style-type: none"> •Ramaco Resources Inc. •Retail Value, Inc. •Air Transport Services Group, Inc. •Thor Industries •First Financial Corp. •TFS Financial Corp. 	<ul style="list-style-type: none"> •Lancaster Colony Corp •Marten Transport Pharmaceutical •Marten Transport •Century Aluminum 	<ul style="list-style-type: none"> •American Axle •Assertio Therapeutics •Exact Sciences Corp. •Gardner Denver Holdings 	<ul style="list-style-type: none"> •Ferro •First Industrial Realty Trust •Taubman Centers 	<ul style="list-style-type: none"> •Knowles Corp. •SPS Commerce •A Schulman Industries •The Tile Shop •TransDigm Group.

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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.