"YES, AND …

There is no formal standardized source of racial/ethnic, LGBTQ+, or disability data regarding board composition among U.S. companies. Yet board diversity in all its forms has repeatedly been shown to improve company bottom lines:

- A 2022 study of over 4,000 North American companies once again showed that board gender diversity increases board effectiveness and is tied to better financial performance…while a 2020 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 36 percent in terms of profitability, bolstering results found in similar studies from 2018 and 2015.
- A study of 3,690 US firms from 2005 to 2019 in Elsevier's February 2023 *Journal of International Financial Markets, Institutions & Money* reported that board genetic diversity improves carbon and governance performance and ESG disclosure: a 1% increase in boards' genetic diversity increases reduction of carbon emissions 3.54% and environmental performance by 5.57%...and it does not appear that spurious correlations are present in these findings.
- In an ongoing human capital/talent shortage environment, Accenture confirmed in 2023 its 2018 report findings: hiring persons with disabilities adds to the bottom line and those numbers have grown in the five years between reports. Now companies including disability criteria in their hiring have 1.6 times more revenue, 2.6 times more net income, and 2 times more economic profit than other firms in Disability: IN's annual benchmark survey. Can you imagine what the board impacts would be if board disability inclusion metrics were tracked/available for review by investors, etc.?

There are Human Capital Management (HCM), Environmental/Climate Disclosure, and Diversity SEC regulations in process currently, juggling each other for precious board and SEC schedule times, each using different metrics. However, isn't it a:

- YES, human capital management info on the number/breakdown of types of employees, turnover, demographics, human capital risks/resources, compensation costs is important AND **aren't these issues important to the same constituents** AND **doesn't diversity minimize possible group think and echo effects that could undermine the decision-making crafting policy/strategy considerations/outcome?**
- YES, climate-related risks—including amounts/actions on greenhouse gas emissions, rising waters, weather incidents, sustainability, pollution(s) generated—are important AND **aren't these issues important to the same constituents** AND **doesn't diversity minimize possible group think and echo effects that could undermine the decision-making crafting policy/strategy considerations/outcome?**...AND isn't changing HCM behavior needed to address climate?

Given that these three issues—HCM, Climate, and Diversity—are closely related, perhaps it's time to apply Aesop's fable, *The Bundle of Sticks*, remembering that there's more strength and success in unity. Bundling these topics by using a "Yes…and" approach can be easily utilized by YES, wherever possible, create a template used throughout all three of these processes in materials and communication at all stages, to make it easier/faster to find the metrics (the same as much as possible) in the same place/format. YES, Nasdaq's board diversity matrix is an excellent example of one such template, AND let's do it again.

With 2023 showing—according to Harvard Law School Forum on Corporate Governance—*"the SEC's willingness to push the enforcement envelope by asserting claims against non-financial individuals at public companies, focusing on disclosures beyond financial performance, alleging accounting control violations in cases seemingly unrelated to accounting and alleging disclosure control violations even without an underlying false disclosure, [even] litigating against public companies and executives, including by alleging its most serious violation, intentional fraud,"* perhaps it's time to simplify/bundle/act now.

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