



**California Public Employees' Retirement System**

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The Honorable Mike Crapo, Chairman  
Committee on Banking, Housing, and Urban Affairs  
239 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Sherrod Brown, Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
503 Hart Senate Office Building  
Washington, DC 20510

December 6, 2019

**Subject: H.R. 5084, The "Improving Corporate Governance Through Diversity Act of 2019"**

Dear Chairman Crapo and Ranking Member Brown,

On behalf of the California Public Employees' Retirement System (CalPERS), I write to express support for H.R. 5084, the "Improving Corporate Governance Through Diversity Act of 2019," which requires public companies to annually disclose the voluntary, self-identified racial, ethnic, gender, and veteran status of their board of directors, nominees, and senior executives, and establishes an advisory group to recommend strategies to increase diversity in these leadership positions. We encourage you to consider the bill in your committee.

As the largest public pension fund in the United States, we manage approximately \$400 billion in global assets on behalf of more than 1.9 million public employees, retirees, and beneficiaries. As a global institutional investor, we believe that long-term value creation requires the effective management of three forms of capital – financial, physical, and human. Consequently, CalPERS advocates for reform that promotes fair, orderly, and effectively regulated financial markets, and for initiatives that promote talent diversity – including a broad range of education, experience, thoughts, perspectives, and competencies to help enable effective board leadership.

We believe board diversity should be thought of in terms of skill sets, gender, age, nationality, race, sexual orientation, gender identity, disability and historically underrepresented groups<sup>1</sup>.

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<sup>1</sup> [CalPERS Total Fund Investment Policy](#)

Requiring public companies to annually disclose the self-identified racial, ethnic, gender, and veteran status of their board of directors, nominees, and senior executives is an important step toward challenging "group think" in corporate boardrooms and C-suites, which can severely limit companies' ability to innovate and effectively engage with shareowners and other stakeholders.

Furthermore, establishing a Diversity Advisory Group to identify strategies that can be used to increase diversity supports effectively regulated markets by highlighting the importance of board quality. The advisory group's work would also encourage corporate boards to maintain openness to new ideas, a willingness to reexamine the status quo, and the ability to exercise sound judgment that is in the best interests of public companies and their shareowners.

Thank you for considering our views. We look forward to continuing to work with Congress as governance and diversity initiatives are considered. Please do not hesitate to contact me directly at (916) 795-3818 or your staff can contact Danny Brown, Chief of our Legislative Affairs Division, at (916) 795-2565, if we can be of any assistance.

Sincerely,

Marcie Frost  
Chief Executive Officer

cc: The Honorable Maxine Waters, Chairwoman, House Financial Services Committee  
The Honorable Patrick McHenry, Ranking Member, House Financial Services Committee  
The Honorable Gregory W. Meeks  
The Honorable Carolyn B. Maloney