

March 9, 2016

Bernadette B. Wilson
Acting Executive Officer, Executive Secretariat
Equal Employment Opportunity Commission
131 M Street, NE
Washington D.C. 20507

**RE: FR Doc # 2016-01544
Comment on the Proposed Revision of the Employer Information (EEO-1) Report to
Include Collection of Pay Data**

Dear Ms. Wilson:

Trillium Asset Management, LLC is the oldest investment advisor devoted exclusively to sustainable and responsible investing (SRI). We believe that environmental, social and governance (ESG) factors play an integral role in the investment process, which can lower portfolio risk and help identify the best-managed companies. Based in Boston, MA we manage approximately \$2 billion in assets.

On behalf of our clients we write to express our views in support of the above referenced proposal to collect summary pay data by gender, race and ethnicity. We are pleased to see the Equal Employment Opportunity Commission moving forward with this proposal and thank you for the opportunity to provide these comments.

We believe the proposed rule represents an effective means by which companies can better measure and manage gender pay disparity. We believe that a finalized rule will serve to drive greater investment in pay equity initiatives that will benefit companies, investors and the economy as a whole.

Pay equity is identified as a key driver of gender diversity¹ and gender diversity is increasingly linked to strong corporate performance. Researchers from McKinsey & Company found companies with highly diverse executive teams had higher returns on equity and earnings performance than those with weak diversity. A May 2014 study from University of Castilla La Mancha found gender diverse teams were better at driving “radical innovation”.

Not only is there a recognized business risk to a lack of diversity, but social risks exist as well – in the form of long-term negative impacts on women’s social equality arising from divisions at the highest positions in the business world.

Gender pay disparity has become a significant public policy and economic issue which has garnered increased attention not only from lawmakers and civil society, but also from individual and institutional investors, and leading companies.

For example, in the fall 2015, after analyzing potential risks to several industry sectors resulting from gender pay disparity, Trillium Asset Management began engaging financial service sector companies – a sector routinely found to have one of the widest gaps in pay by gender relative to other sectors.² Not finding corporate disclosure adequate in allowing us to determine if Citigroup had a gender wage gap, we filed a proposal at Citigroup requesting management to prepare a report demonstrating that the company does not have a gender pay gap. Shareholders will have an opportunity to support our request at the spring annual meeting in April.

As a small financial service company we work to achieve the same level of diligence and reporting that we ask of the companies we engage. The Partners of Trillium Asset Management recently reviewed employee compensation to determine whether a pay imbalance between genders exists. After controlling for experience, role, training, hours of work, and certification, gender had no statistically significant relationship to pay in 2015.³

Other institutional firms are taking steps to determine if gender pay disparity exists in their portfolio holdings. The investment advisory firms Pax World and Arjuna Capital recently requested information on gender pay disparity from several technology companies held in their funds.

Despite significant state and federal level efforts, however, gender pay disparity persists. The median income for a woman working full time in the United States is approximately 78 percent of their male counterpart's earnings. Further, women of color are disproportionately affected by wage inequality. Wage gaps are caused by several factors, but researchers have found that up to 41.1 percent of the overall pay gap between men and women is left unexplained after controlling for various factors such as industry, experience, and education (Blau and Khan 2006).⁴

Several leading companies have spoken publicly about their actively managed pay equity programs and reporting results and long term goals. For example, stating a commitment to understand the root cause of its gender wage gap so it can create sustainable change, the technology company, GoDaddy, disclosed the results of its salary analysis in 2016.⁵ And other examples abound:

- Apple announced the results of the company's gender pay assessment at its February 2016 annual meeting and stated that the company is committed to closing the pay gap.⁶
- Intel credits its attention to hiring and promotion, and a thorough annual study of performance reviews to results of its 2015 company-wide compensation analysis which showed gender pay equality.⁷
- Salesforce announced spending \$3 million to conduct a salary assessment and close its gender pay gap.⁸
- Both Unilever and AccorHotels have pledged to reach pay parity by 2020.⁹

Closing the gender wage gap is critical to helping women achieve economic security and expanding gender diversity in the workplace. From an investor perspective, this is vitally important to achieve because diverse companies are best positioned to identify and advance the best talent, reduce exposure to reputational and regulatory risks, and, as research has shown, deliver strong performance results.

We applaud the proposed revision of the EEO-1 Report. Requiring more transparency in compensation data creates a level playing field for corporate reporting, acts as an effective tool for assessing complaints of discrimination and identify employers with pay disparities, and compels companies to evaluate their own pay practices.

Thank you for this opportunity to provide comments.

Sincerely,

Susan Baker
Vice President, Shareholder Advocacy

Brianna Murphy
Vice President, Shareholder Advocacy

¹ Mercer, "When Women Thrive Business Thrive," November 2014 <http://www.mmc.com/content/dam/mmc-web/Files/Gender-Diversity-When-women-thrive-businesses-thrive-Mercer.pdf>

² <http://www.bls.gov/cps/cpsaat39.htm>

³ <http://www.trilliuminvest.com/trillium-reviews-internal-salaries-for-possible-gender-pay-gap/>

⁴ <http://www.epi.org/publication/closing-the-pay-gap-and-beyond/>

⁵ <http://aboutus.godaddy.net/newsroom/news-releases/news-releases-details/2015/GoDaddy-Releases-Gender-Salary-Data/default.aspx>

⁶ <http://www.nytimes.com/2016/02/27/technology/apple-shareholders-show-their-support-for-tim-cook.html>

⁷ <http://fortune.com/2016/02/03/intel-gender-pay-parity/>

⁸ <http://fortune.com/2015/11/07/salesforce-3-million-close-pay-gap/>

⁹ http://www.nytimes.com/2016/01/20/business/dealbook/a-push-for-gender-equality-at-the-world-economic-forum-and-beyond.html?_r=1

*The views expressed are those of the authors and Trillium Asset Management, LLC as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be a forecast of future events or a guarantee of future results. These views may not be relied upon as investment advice. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the authors on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is for informational purposes and should not be construed as a research report. In addition to engaging with our core portfolio companies, Trillium also conducts advocacy on selected companies (identified with an "**") that are not in our core portfolios but are held as legacy positions in client portfolios. These are companies that may not meet our minimum social and environmental criteria, but that we still seek to improve. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. In addition to engaging with our core portfolio companies, Trillium also conducts advocacy on selected companies (identified with an "**") that are not in our core portfolios but are held as legacy positions in client portfolios. These are companies that may not meet our*

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