



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 1-866-280-7377 • www.ohsers.org

**House Civil Justice Committee
Proponent Testimony on HCR 13
Julie Deisler, Enterprise Risk Management Officer
School Employees Retirement System of Ohio
Tuesday, November 12, 2019**

Chairman Hambley, Vice Chairman Patton, Ranking Member Brown and members of the House Civil Justice Committee, thank you for the opportunity to present proponent testimony on HCR 13, a resolution to encourage equitable and diverse gender representation on the boards and in senior management of Ohio companies and institutions.

I am Julie Deisler, Enterprise Risk Management Officer for the School Employees Retirement System of Ohio. SERS is a defined benefit public pension fund that provides retirement allowances, disability and survivor benefits, and access to health care coverage for the people who served our schools. As of June 30, 2019, SERS maintains a diversified investment portfolio of \$14.65 billion in assets. In my role at SERS, I facilitate the Corporate Governance function under the guidance of our Board of Trustees. In addition to voting proxies, our involvement in Corporate Governance includes engaging with companies on corporate governance matters, joining coalitions with likeminded institutional investors to encourage good governance at public companies, and we participate as members of organizations that advocate for shareholders like SERS. As long-term investors, we acknowledge the rights and responsibilities of corporate ownership, and we recognize the importance of governance in conducting the business of a corporation. SERS believes good corporate governance leads to better results for companies and investors. In 2012, our Board of Trustees adopted a set of principles which guide the organization's proxy voting and corporate governance activities. These principles include fiduciary responsibility, a long-term view, integrity, accountability, diversity, and social responsibility.

We support HCR 13 because it is consistent with our long-held belief that diversity is necessary to develop strong, sound corporate boards. We believe that a diversity of skills, perspectives, and experience that includes a wide range of attributes, backgrounds, talents and skillsets are necessary on corporate boards and in senior leadership. Numerous studies have shown that the perspective of historically under-represented groups, including women and minorities, contributes to long-term sustainable value creation for shareholders¹. Women's participation on corporate boards and in other senior leadership positions is important in Ohio and around the world. Research shows that board diversity benefits decision-making and innovation, as well as a company's financial performance². Likewise, companies with diversity on their boards and senior teams are more likely to have effective risk oversight and less likely to experience incidences of governance-related controversies such as fraud and ethics violations³. Simply put, gender

¹ Creary, Stephanie J., Mary-Hunter McDonnell, Sakshi Ghai, and Jared Scruggs. Harvard Business Review. March 2019. <https://hbr.org/2019/03/when-and-why-diversity-improves-your-boards-performance>

² Hunt, Vivian. "Why Diversity Matters." McKinsey & Company. January 2015. <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

³ Lee, Linda-Eling, Ric Marshall, Damion Rallis, and Matt Moscardi. "Global Trends in Gender Diversity on Corporate Boards." MSCI. November 2015. <https://www.msci.com/documents/10199/04b6f646-d638-4878-9c61-4eb91748a82b>



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

300 E. BROAD ST., SUITE 100 • COLUMBUS, OHIO 43215-3746
614-222-5853 • Toll-Free 1-866-280-7377 • www.ohsers.org

diversity leads to better governance on corporate boards. We appreciate and support the attention that HCR 13 has drawn to this importance governance issue, and we believe that encouraging diversity on corporate boards will ultimately lead to better performing companies. As long-term investors, we believe that encouraging diversity on public boards is the right thing to do.

At SERS, we live and breathe the value of gender diversity. Women are represented on our board of trustees, and over half of our workforce is comprised of women. Additionally, nearly half of our senior leadership team is comprised of women as well. We believe that gender diversity makes our organization stronger and well-poised to make strategic decisions for the betterment of our pension fund and its members and retirees.

Mr. Chairman and members of the House Civil Justice Committee, I thank you again for the opportunity to provide testimony on HCR 13, I am happy to answer any questions you many have.