

September 19, 2022

Christopher Mirabile
Chair, Investor Advisory Committee
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. 265-28

Dear Chair Mirabile,

We appreciate that the Investor Advisory Committee (IAC) added human capital management disclosure to the agenda of its September 21st meeting and offer comments in support of including workforce health and safety information for your consideration as you develop your recommendations.

Human capital can be defined as “the knowledge, skills, and health that people invest in and accumulate throughout their lives, enabling them to realize their potential as productive members of society.”¹ Workforce health and safety is integral to human capital management and material for a company’s long-term success.² We believe specific disclosures are critical metrics that would allow investors to incorporate potential operational, financial, legal, and regulatory risks and opportunities related to workforce health and safety into their company valuations. Enhanced disclosure would also improve proxy voting decisions related to workplace policy proposals and the board’s oversight of human capital management.

At a minimum, companies should disclose the following data on an annual basis covering the preceding 3-year period:

1. Quantitative health and safety performance indicators for the company’s material workforce³ including:

¹ World Bank. *What is Human Capital and What is the Human Capital Project?* About the Human Capital Project. World Bank website accessed September 16, 2022. <https://www.worldbank.org/en/publication/human-capital/brief/about-hcp#:~:text=Human%20capital%20consists%20of%20the,societies%20by%20developing%20human%20capital>.

² Garima Sisodia, Nemiraja Jadyappa & Anto Joseph | David McMillan (Reviewing editor) *The relationship between human capital and firm value: Evidence from Indian firms*. Cogent Economics & Finance. 2021.9:1. <https://www.tandfonline.com/doi/pdf/10.1080/23322039.2021.1954317?needAccess=true>.

³ Investors have expressed the need for human capital disclosure to include all types of workers whose contribution to company value is material. See: Comment to SEC File 4-711 (Rulemaking Petition to Require Issuers to Disclose Information About Their Human Capital Management Policies, Practices and Performance). 18 Jan 2022. Submitted by Elizabeth H. Shuler et al, President, AFL-CIO et al. <https://www.sec.gov/comments/4-711/4711-20112177-265269.pdf>. For this reason, “material workforce” should be defined to include 1) employees on the company’s payroll, 2) non-payroll workers supervised by the company on a day-to-day basis, and 3) other contracted, sub-contracted and franchisee workers creating material value for the company.

- number of fatalities;
 - total injury and illness rate;
 - total number and rate of injuries or illnesses that resulted in days away from work, restricted duty, or transfer of duties; and
 - provide these data for the company as a whole and for worksites with more than 50 workers annually on average.
2. Qualitative, contextual information to aid investor analysis, including the type of physical and mental health hazards the workforce is exposed to.
 3. Evidence of board oversight of health and safety, including:
 - committee with oversight responsibility and whether responsibility is indicated in its charter; and
 - frequency of board consideration as a formal agenda item.

The SOC Investment Group works with union-sponsored pension funds to enhance long-term stockholder value through active ownership. The funds SOC Investment Group works with have over \$250 billion in assets under management and are substantial public market investors. For several years, we have engaged public companies concerning the importance of human capital management.

Investors require reliable, consistent, and comparable data concerning the extent and seriousness of health and safety incidents—data already being recorded by companies—to assess risks to shareholder value.

A fundamental starting point in assessing management performance is the measurement of outcomes. Information concerning the frequency and severity of work-related injuries and illnesses would give investors insight into company management of workforce health and safety that in turn allows investors to evaluate a company's long-term success. One recent study concluded that there is "plenty of evidence that worker health and safety are a foundation of managing manufacturing facilities that are globally competitive."⁴

Companies already collect health and safety data, so there would be minimal cost involved requiring companies to report key health and safety metrics in their reporting through the SEC. In the U.S., the Occupational Health and Safety Administration (OSHA) mandates that companies report worker fatalities, serious injuries and other specific or "recordable" injury and illness incidents, including whether the incidents result in workers taking days away from work, doing restricted duties, or requiring a transfer of duties, as a measure of impact.⁵ OSHA and the Bureau of Labor Statistics (BLS) have developed a methodology for applying a common base

⁴ Pagell, Mark, Veltri, Anthony and Johnston, David. *Getting Workplace Safety Right*. MIT Sloan Management Review. 2016. 57:12-14. <https://sloanreview.mit.edu/article/getting-workplace-safety-right-2/>.

⁵ OSHA defines "recordable" incidents as any work-related illness or injury if 1) it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or 2) involves a significant injury or illness diagnosed by a physician or other licensed health care professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. 29 CFR 1904. <https://www.osha.gov/laws-regs/regulations/standardnumber/1904>.

and time-period to the data to calculate 1) a total recordable injury and illness frequency rate (“TRIR”) and 2) the rate for those cases resulting in workers taking days away from work, doing restricted duties, or requiring a transfer of duties (“DART”), which is a measure of incident severity.⁶ The BLS publishes industry-wide fatality and incident rates, allowing companies to benchmark its performance against peers.⁷ Company-reported information is also used by OSHA in determining inspections.⁸

Under an E.U. Directive, employers in member states are legally obligated to record fatalities and accidents with more than three days absence.⁹ In addition, companies are subject to national laws regarding workforce health and safety. In the U.K., for example, companies must report detailed information covering 1) work-related accidents which cause death, 2) certain serious injuries, 3) diagnosed cases of certain industrial diseases and 4) certain dangerous occurrences (incidents with potential to cause harm). Companies must keep records of the reported information and regarding any other occupational accident-causing injuries that result in a worker being away from work or incapacitated for more than three consecutive days.¹⁰

As a result of these existing reporting requirements, the cost or burden to companies of disclosing the requested health and safety metrics would be de minimis but would provide investors with important indicators of health and safety management performance. To minimize reporting burden, in addition to current OSHA reporting exclusions,¹¹ the SEC could limit required site-specific data to worksites with 50 or more workers, consistent with requirements for EEO-1 diversity reporting by companies.¹²

Unfortunately, we do not believe that the publicly available health and safety data are a substitute for the enhanced disclosures investor are looking for. While OSHA already makes publicly available recorded illness and injury information submitted to it by companies with individual worksites averaging over 20 employees (so-called “Form 300A data”),¹³ we have noted in our own analysis of this data that not all entries can be easily traced to its parent company; for example, if the parent name was not included in the worksite name, or if the

⁶ TRIR is calculated as the total number of recordable work-related injuries and illnesses ÷ number of hours worked by all employees x 200,000 hours. It is assumed that 2,000 employee-hours equals one full-time-equivalent annual employee. See *Injury & Illness Recordkeeping Forms - 300, 300A, 301*. <https://www.osha.gov/recordkeeping/forms>. See also Bureau of Labor Statistics. *How to Compute a Firm's Incident Rate for Safety Management*. 25 Mar 2019. <https://www.bls.gov/iif/osheval.htm>.

⁷ Bureau of Labor Statistics. *Injuries, Illnesses, and Fatalities*. <https://www.bls.gov/iif/>.

⁸ OSHA Fact Sheet. *Occupational Safety and Health Administration (OSHA) Inspections*. Aug 2016. <https://www.osha.gov/sites/default/files/publications/factsheet-inspections.pdf>.

⁹ European Union. *Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work*. Article 9 (1)(c). OJ L 183, 29.6.1989. <https://eur-lex.europa.eu/legal-content/cs/TXT/?uri=OJ:L:1989:183:TOC>.

¹⁰ United Kingdom. *Statutory Instrument 2013 No. 1471. Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013*. <https://www.hse.gov.uk/riddor/>.

¹¹ Companies with fewer than 10 employees, and those in industries with lower historical rates such as restaurants or office environments are excluded from OSHA record-keeping requirements. 29 CFR 1904. Subpart B. <https://www.ecfr.gov/current/title-29/subtitle-B/chapter-XVII/part-1904/subpart-B?toc=1>.

¹² 29 CFR 1602.7. <https://www.ecfr.gov/current/title-29/subtitle-B/chapter-XIV/part-1602/subpart-B/section-1602.7>.

¹³ OSHA. *Establishment Specific Injury & Illness Data (OSHA Data Initiative)*. https://www.osha.gov/ords/odi/establishment_search.html.

Employer Identification Number was missing. Entries were often missing key data, and there was a lack of standardization of entity names. As a result, we do not believe that the publicly available Form 300A data meets investor needs for reliable, timely, and actionable information.

As SEC precedent for the requested disclosure, we note that under the Dodd-Frank Act, mining companies are required to include information about mine safety and health in the quarterly and annual reports they file with the SEC.¹⁴ Research found an 11 percent decrease in both mining-related citations and injuries when comparing mines of SEC-registered issuers subject to the disclosure to those not,¹⁵ suggesting that SEC reporting may also result in better outcomes.

The inclusion of health and safety performance metrics in reporting standards developed in consultation with investors is unambiguous evidence that the issue is material to investors. Employee health and safety is a disclosure topic in 36 percent of the Sustainability Accounting Standards Board's industry classifications.¹⁶ The Sustainability Reporting Standards of the Global Reporting Initiative include a comprehensive disclosure of workplace health and safety, including policies, management systems, and leading and lagging performance indicators.¹⁷ Health and safety metrics are included in the ESG scores that underly Standard & Poor (S&P) sustainability indices and that, according to S&P, are used in investment decision-making by investors with over \$26 trillion in assets under management.¹⁸ Notwithstanding this clear evidence of investor demand, a 2021 analysis by JUST Capital of voluntary human capital disclosure by the 100 largest US companies found a median disclosure rate of one percent for health and safety performance metrics, reported for the most part in a non-standardized fashion in unaudited sustainability reports.¹⁹

Workforce health and safety disclosure is critical for investors to assess associated risks and competitive advantages.

Poor health and safety management could pose material operational, financial, legal, and reputational risks from increased workers' compensation costs, reduced productivity, increased

¹⁴ Dodd-Frank Wall Street Reform and Consumer Protection Act. 1503 (a). Pub. L. No. 111-203. 124 Stat. 17.

<https://www.govinfo.gov/content/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>.

¹⁵ Christensen, Hans B., Floyd, Eric, Yao Liu, Lisa and Maffett, Mark. *The Real Effects of Mandatory Non-Financial Disclosures in Financial Statements*. Feb 2016. <https://www.wsj.com/public/resources/documents/SECMiningSafetyPaper05-12-2016.pdf>.

¹⁶ Sustainability Accounting Standards Board (SASB). *SASB Human Capital Bulletin*. 21 Nov 2020.

<https://www.sasb.org/knowledge-hub/sasb-human-capital-bulletin/>. According to SASB's Rules of Procedure, a disclosure topic is included in the SASB Standards when both evidence of financial impact and evidence of investor interest are shown in SASB's research and market consultation with both companies and investors. See *Understanding How SASB Addresses Human Capital in the Codified Standards*. https://www.sasb.org/wp-content/uploads/2020/05/HC-Briefing-Documents_FINAL-for-web.pdf.

¹⁷ Global Sustainability Standards Board. *GRI 403: Occupational Health and Safety 2018*.

<https://www.globalreporting.org/standards/media/1910/gri-403-occupational-health-and-safety-2018.pdf>.

¹⁸ S&P Global. *CSA Methodology*. <https://www.spglobal.com/esg/csa/methodology/>; *ESG Scores*.

<https://www.spglobal.com/esg/solutions/data-intelligence-esg-scores>;

CSA Benefits. <https://www.spglobal.com/esg/csa/benefits>. S&P Global website accessed August 30, 2022.

¹⁹ Bonta, Emily, Notari, Catrina, Omens, Allison, Radeva, Aleksandra, Sanders, Ian, and Vaghul, Kavya. JUST Capital. *The Current State of Human Capital Disclosure in Corporate America: Assessing What Data Large U.S. Employers Share*. Just Capital website accessed August 30, 2022. <https://justcapital.com/reports/the-current-state-of-human-capital-disclosure-in-corporate-america/>.

turnover, fines, litigation, regulatory scrutiny, and damage to employment and consumer brands. One study estimated job-related injuries and illnesses contributed \$250 billion in 2007 alone to the overall cost of medical care and ill health.²⁰ In 2019, the top ten serious, non-fatal workplace injuries have been estimated to have a direct cost to U.S. businesses of more than \$1 billion a week.²¹

In certain industries, poor health and safety management can result in a catastrophic loss of human life and have substantial financial and reputational impact. Critical safety risk management failures leading to the BP Deepwater Horizon drill rig explosion that killed 11 workers, injured 17 others, and initiated one of the worst environmental disasters in U.S. history²² are reported to have cost BP shareholders \$65 billion from civil and criminal penalties, environmental damages, economic claims, and cleanup costs.²³ At Massey Energy, an explosion at the Company's Upper Big Branch mine that killed 29 miners--and that revealed widespread safety violations at several Massey mines--caused a 37 percent decline in share value, and resulted in \$209 million in civil and criminal penalties to the federal government and a settlement of \$265 million in an investor class action lawsuit.²⁴

Investors would benefit from both company-wide data, as a measure of aggregate impact, and on an establishment-level basis, which can indicate more localized problems. The consequences of poor health and safety management invites regulatory scrutiny of business operations, as occurred, for example, from the revelation of higher serious workplace injuries being reported at Amazon's warehouses relative to its peers.²⁵ The information resulted in a California law

²⁰ Leigh, J. Paul. *Economic Burden of Occupational Injury and Illness in the United States*. Milbank Quarterly. Dec 2011. Vol. 89. Issue 4. p. 728. <https://pubmed.ncbi.nlm.nih.gov/22188353/>.

²¹ Liberty Mutual Insurance. *2022 Workplace Safety Index*. https://business.libertymutual.com/wp-content/uploads/2022/06/WSI-1000_2022.pdf.

²² United States National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. *Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling, Report to the President*. Jan 2011. <https://www.govinfo.gov/content/pkg/GPO-OILCOMMISSION/pdf/GPO-OILCOMMISSION.pdf>. Natural Resources Defense Council, Inc. Issue Paper: Summary of Information concerning the Ecological and Economic Impacts of the BP Deepwater Horizon Oil Spill Disaster. Jun 2015. <https://www.nrdc.org/sites/default/files/gulfspill-impacts-summary-IP.pdf>.

²³ Busco, Ron. *BP Deepwater Horizon costs balloon to \$65 billion*. Reuters. 16 Jan 2018. <https://www.reuters.com/article/us-bp-deepwaterhorizon/bp-deepwater-horizon-costs-balloon-to-65-billion-idUSKBN1F50NL>.

²⁴ Berkes, Howard and Benincasa, Robert. *Other Massey Mines Showed a Pattern of Violations*. NPR. 13 Apr 2010.

<https://www.npr.org/2010/04/13/125864847/other-massey-mines-showed-a-pattern-of-violations>;

Parker, Mario. *Massey CEO, Board Face Shareholder Challenge After Fatal Blast*. Bloomberg. 17 May 2010.

<https://www.bloomberg.com/news/articles/2010-05-17/massey-ceo-blankenship-board-face-shareholder-challenge-after-fatal-blast?sref=cdlcj118>. Plumer, Brad. *W.Va. coal mine to pay historic \$209M settlement in blast that killed 29 miners*. The Washington Post. 6 Dec 2011.

https://www.washingtonpost.com/business/economy/wva-coal-mine-to-pay-historic-209m-settlement-in-blast-that-killed-29-miners/2011/12/06/gIQAbClqZO_story.html; Comtois, James. *MassPRIM nets \$265 million settlement from former Massey Energy*. Pensions & Investments. 10 Dec 2013.

<https://www.pionline.com/article/20131210/ONLINE/131219994/massprim-nets-265-million-settlement-from-former-massey-energy>.

²⁵ A Washington Post analysis of OSHA-reported data from 2017-2020 of worksite injury rates at Amazon's warehouse operations showed Amazon's serious injury rates to be nearly double those at warehouses run by other companies. Greene, Jay and Alcantara, Chris. *Amazon warehouse workers suffer serious injuries at higher rates than other firms*. The Washington Post. 1 Jun 2021. <https://www.washingtonpost.com/technology/2021/06/01/amazon-osh-injury-rate/>.

limiting the use of worker productivity quotas—believed to be a cause of the injuries at Amazon²⁶—and resulted in similar legislation being passed in New York.²⁷

Investors view excellence in workforce health and safety as contributing to long-term value. Research has found that safety management systems positively influence product quality, productivity, customer satisfaction, and innovation—factors that provide companies a long-term sustainable competitive advantage.²⁸ Unsafe and unhealthy work has been shown to negatively affect employees' job satisfaction,²⁹ which could influence retention and recruitment. A review of 17 National Safety Council's workplace health and safety case studies concluded that safety as a business objective can "achieve a long-term competitive advantage."³⁰

Investors have started to analyze the links between human capital management data and a company's valuation to develop investment strategies. For example, an investment analyst examined the link between workplace health and safety and investment performance to propose an investment strategy. The analyst acknowledged the limited data history and recommended that "investors monitor the signal closely as further data becomes available to support the initial results."³¹

Investor analysis requires qualitative contextual information, including a timely identification of key physical and mental health and safety hazards the workforce is exposed to.

As noted by OSHA, "(o)ne of the "root causes" of workplace injuries, illnesses, and incidents is the failure to identify or recognize hazards that are present, or that could have been anticipated."³² Investors would therefore benefit from disclosure concerning key health and safety hazards identified by the company. The quarterly cycle of financial statement reporting would allow more timely notification to investors of new risks than that provided by an annual report. The rapid COVID 19 pandemic lockdown in the spring of 2020—estimated by the International Labor Organization to have impacted 81 percent of the 2.7 billion global work

²⁶ Scheiber, Noam. *California governor signs bill that could push Amazon to change labor practices*. The New York Times. 22 Sept 2021. Updated 26 Oct 2021. <https://www.nytimes.com/2021/09/22/business/newsom-amazon-labor-bill.html>.

²⁷ Palmer, Annie. *New York lawmakers pass bill limiting Amazon's use of worker productivity quotas in warehouses*. CNBC. 3 Jun 2022. <https://www.cnbc.com/2022/06/03/new-york-passes-bill-targeting-amazon-warehouse-productivity-quotas.html>.

²⁸ Fernández-Muñiz, Beatriz, Montes-Peón, José Manuel, and Vázquez-Ordás, Camilo José. *Relation between occupational safety management and firm performance*. Safety Science 47 (2009) 980–991. <https://coek.info/pdf-relation-between-occupational-safety-management-and-firm-performance-.html>.

²⁹ Shan, Biaoan, Liu, Xiaojun, Gu, Anwei, and Zhao, Runxuan. *The Effect of Occupational Health Risk Perception on Job Satisfaction*. Int J Environ Res Public Health. 2022 Feb 13;19(4):2111. <https://pubmed.ncbi.nlm.nih.gov/35206297/>.

³⁰ Maudgalya, Tushyati, Genaidy, Ash and Shell, Richard. *Productivity–quality–costs–safety: A sustained approach to competitive advantage—a systematic review of the national safety council's case studies in safety and productivity*. Human Factors and Ergonomics in Manufacturing & Service Industries. 13 Feb 2008. <https://onlinelibrary.wiley.com/doi/10.1002/hfm.20106>.

³¹ Were. J.B. *Good Workplace Health & Safety = Good Investment Returns*. Goldman Sachs Research Report. Oct 2007. <https://www.regulations.gov/document/OSHA-2007-0013-0068>.

³² OSHA. *Recommended Practices for Safety and Health Programs*. OSHA 3885. Oct 2016. <https://www.osha.gov/sites/default/files/publications/OSHA3885.pdf>.

force³³—is an illustration of how quickly health issues can impact operations and create reputational and other significant risks for companies that fall short in protecting worker health and safety. Surveys of the American public during the pandemic by JUST Capital and Harris Polling, for example, found that the vast majority of Americans believed that companies should prioritize the health and safety of frontline workers.³⁴ Worker reports of insufficient personal protective equipment and lack of appropriate social distancing of workers at Amazon warehouses and Tyson Food meatpacking plants generated negative news reports from major media outlets.³⁵

Worker health and safety includes both physical and mental health. Mental health has been linked to human capital management-related issues such as scheduling, stress, and workplace violence and harassment.³⁶ Poor worker mental health can result in increased absenteeism, short-term disability, and turnover, as well as sub-optimal performance at work.³⁷

In the U.K., where companies must undertake a risk assessment of potential harms that includes mental health issues such as workplace stress, U.K. regulatory agency Health and Safety Executive has developed standards to help companies identify and manage six areas of work design which can affect stress levels.³⁸ During 2022, concerns regarding mental health risks in the workplace exacerbated by the COVID-19 pandemic and the shift to digital work have

³³ International Labor Organization. *ILO Monitor: COVID-19 and the world of work*. Second edition. Updated estimates and analysis. 7 Apr 2020.

https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_740877.pdf.

³⁴ JUST Capital. *Corporate America: The Public Expects you to Prioritize the Health & Safety of Your Workers*. 18 November 2020. JUST Capital website accessed September 9, 2022. <https://justcapital.com/news/corporate-america-the-public-expects-you-to-prioritize-the-health-safety-of-your-workers/>.

³⁵ See for example: Ivanova, Irinia. *Amazon workers worry about catching coronavirus on the job*. CBS News. 25 Mar 2020.

<https://www.cbsnews.com/news/coronavirus-amazon-workers-protection/>;

Lima, Cristiano. *Democratic state leaders are challenging Amazon's COVID-19 safety record*. The Washington Post. 16 Nov 2021.

<https://www.washingtonpost.com/politics/2021/11/16/democratic-state-leaders-are-challenging-amazons-covid-19-safety-record/>;

Romo, Vanessa. *Tyson Managers Suspended after Allegedly Betting if Workers Would Contract COVID*. NPR. 19 Nov 2020.

<https://www.npr.org/2020/11/19/936905707/tyson-managers-suspended-after-allegedly-betting-if-workers-would-contract-covid>; and

Dorning, Mike. *Meatpackers Ignored COVID Spread to Keep Operating, House Report Says*. Bloomberg. 12 May 2022.

<https://www.bloomberg.com/news/articles/2022-05-12/meatpackers-ignored-covid-spread-to-keep-operating-report-says?sref=cdlcj118>.

³⁶ Gale, Sara, Mordukhovich, Irina, Newlan, Sami and McNeely, Eileen. *The Impact of Workplace Harassment on Health in a Working Cohort*. Front. Psychol. 2019. 10:1181. <https://www.frontiersin.org/articles/10.3389/fpsyg.2019.01181/full>.

Harknett, Kristen and Schneider, Daniel. *Precarious Work Schedules and Population Health*. Health Affairs/Robert Wood Johnson Foundation Health Policy Brief. 1 Feb 2020. <https://www.rwjf.org/en/library/research/2020/02/precious-work-schedules-and-population-health.html>.

³⁷ Goetzel, Ron Z. PhD; Ozminowski, Ronald J. PhD; Sederer, Lloyd I. MD and Mark, Tami L. PhD. *The Business Case for Quality Mental Health Services: Why Employers Should Care About the Mental Health and Well-Being of Their Employees*. Journal of Occupational and Environmental Medicine: Apr 2002. Vol 44. Issue 4. p 320-330.

https://journals.lww.com/joem/Abstract/2002/04000/The_Business_Case_for_Quality_Mental_Health.12.aspx.

³⁸ See Health and Safety Executive. *Work-related stress and how to manage it, 4. Stress Risk Assessment. What are the Management Standards?* <https://www.hse.gov.uk/stress/standards/>.

been expressed in two separate European Parliament votes calling on the European Commission to pass legislation specifically aimed at workforce mental health.³⁹

Both companies and investors increasingly view mental health as significant in driving a company's ability to maintain an engaged and productive workforce.⁴⁰ CCLA Investment Management, in collaboration with Chronos Sustainability, has launched a formal "Mental Health Benchmark" used by a coalition of investors representing USD 7 trillion in assets to measure and compare how FTSE-listed issuers are managing employee mental wellbeing.⁴¹ In response to evidence of financial impact and investor interest, the Sustainability Accounting Standards Board (SASB) is currently undertaking a research project to explore how its standards could more effectively take into account workforce mental health and wellbeing.⁴²

Investors expect boards of directors to oversee health and safety as a potential financial, legal, and reputational risk to long-term strategic value.

Investors would benefit from disclosures regarding how a board of directors oversees health and safety. Disclosures about board oversight would indicate the level of strategic value the company assigns to these critical issues. The board should report whether it assigned health and safety to a specific committee and the frequency of board consideration of workplace health and safety as an agenda item. Disclosure concerning board oversight of workplace health and safety is critical given the instrumental role boards play in establishing a culture of safety and wellness; overseeing risk identification and management; ensuring necessary resources and personnel; and monitoring safety processes and outcomes.⁴³ Because directors play such a

³⁹ European Parliament. *Resolution of 10 March 2022 on a new E.U. strategic framework on health and safety at work post 2020 (including better protection of workers from exposure to harmful substances, stress at work and repetitive motion injuries)*. 2020/2165 (INI). [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&reference=2021/2165\(INI\)](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&reference=2021/2165(INI)).

European Parliament. *Resolution of 5 July 2022 on mental health in the digital world of work*. 2021/2098 (INI). [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&reference=2021/2098\(INI\)](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&reference=2021/2098(INI)).

⁴⁰ Wahlquist, Andrea L., Niles, Sabastian V., and Kofke, Lauren M. *Workplace Wellness and Employee Mental Health—An Emerging Investor Priority*. Harvard Law School Forum on Corporate Governance. 2 Dec 2020.

Greenwood, Kelly and Anas, Julia. *It's a New Era for Mental Health at Work*. Harvard Business Review. 4 Oct 2021. <https://hbr.org/2021/10/its-a-new-era-for-mental-health-at-work>. Syrett, Michael and Devine, Marion. *Mental Health in the Workplace*. The Conference Board. 17 Mar 2021. <https://www.conference-board.org/topics/Workforce-Well-being/mental-health-in-the-workplace>.

⁴¹ Browne, Amy and Amos, Nicky. *CCLA Corporate Mental Health Benchmark UK 100 Report 2022*. <https://corpgov.law.harvard.edu/2020/12/02/workplace-wellness-and-employee-mental-health-an-emerging-investor-priority/>; <https://www.ccla.co.uk/documents/2022-mental-health-benchmark-uk-100-report/download?inline>.

⁴² Sustainability Accounting Standards Board. *Research Project Human Capital Preliminary Framework on Human Capital and the SASB Standards*. Dec 2020. https://www.sasb.org/wp-content/uploads/2020/12/Human-Capital_Preliminary-Framework_2020-December_FINAL.pdf.

⁴³ See Health and Safety Executive. *Leading health and safety at work: actions for directors, board members, business owners and organizations of all sizes*. Jun 2013. <https://www.hse.gov.uk/pubns/indg417.pdf>; Lo, Daniel. *OHS Stewardship-Integration of OHS in Corporate Governance*. Procedia Engineering. Dec 2012. https://www.researchgate.net/publication/257725541_OHS_Stewardship_-_Integration_of_OHS_in_Corporate_Governance; and Lornud, Caroline. et. al. *A champagne tower of influence: An interview study of how corporate boards enact occupational health and safety*. Safety Science. Volume 143. 2021. <https://www.sciencedirect.com/science/article/pii/S0925753521002605?via%3Dihub>.

pivotal role, in some countries, such as the U.K., directors' health and safety duties are governed by laws creating potential civil and criminal liability for directors.⁴⁴

In closing, workforce health and safety is an integral aspect of human capital management risk for investors, who, at present, lack critical disclosure necessary to evaluate potential financial, operational, legal and reputational outcomes—information that could be provided with limited burden to companies. We urge the IAC to consider the proposed workforce health and safety information discussed herein in its future recommendations concerning human capital management disclosure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dieter Waizenegger", with a stylized flourish at the end.

Dieter Waizenegger
Executive Directive

CC: Chairman Gary Gensler
Commissioner Hester M. Peirce
Commissioner Caroline A. Crenshaw
Commissioner Mark T. Uyeda
Commissioner Jaime Lizarrage

⁴⁴ Health and Safety Executive, *Ibid.*