

Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
110 F Street, N.E.
Washington D.C. 20549

6 October 2017

Re: Human Capital Management Disclosures Rulemaking Petition

Dear Chairman Clayton,

I write as Chief Executive of ShareAction, a UK-based non-profit. Founded in 2005, ShareAction works with institutional investors, listed companies and civil society actors to achieve better outcomes for working people with retirement savings.

Earlier this year ShareAction launched the Workforce Disclosure Initiative. The project was developed following calls from the investment community that listed companies disclose comparable and higher quality workforce-relevant data. At the time of writing, the Workforce Disclosure Initiative enjoys the support of 88 investors from 12 countries, managing an aggregate \$8.6 trillion in assets. The project is funded by the UK's Department for International Development (DFID).

We welcome the petition from the Human Capital Management Coalition and agree with much of the analysis set out in the document. In particular, we strongly support efforts to encourage standardisation in corporate reporting. Investors regularly cite the lack of consistent and comparable data on human capital and broader workforce issues as a barrier to gaining a clear understanding of how companies structure and manage their workforces. This is despite a growing body of evidence – much of which is referenced in the petition – on the financial materiality of employment practices.

The absence of standardised reporting metrics has contributed to a tendency among firms to resort to “boilerplate” language. Such a situation satisfies no one. Investors lack the data they need to understand how a company manages its workforce; meanwhile companies with effective policies to manage their staff struggle to differentiate themselves from laggard peers. The prevalence of boilerplate disclosures acts as a disincentive to firms with poor workforce management to change, to the detriment of employees, supply chain workers and investors. Against this backdrop, efforts to standardise reporting metrics in this area are gaining the support of an increasing number of investors across the world.

We have been encouraged by early responses to the Workforce Disclosure Initiative among companies listed in the UK and mainland Europe. At the same time, given the dominant position of the United States in global capital markets, we hope to see American firms at the forefront of efforts to establish more standardised workforce reporting metrics. To this end, we endorse the HCM Coalition's recommendation

that the SEC seek ideas from investors and other stakeholders on how to improve the value of disclosures in this area.

Thank you for giving this issue your consideration. We would be pleased to discuss this with you and your team at the SEC should you have any questions.

Yours sincerely,

A handwritten signature in black ink that reads "Catherine Howarth". The signature is written in a cursive style with a large initial 'C' and a distinct 'H'.

Catherine Howarth
Chief Executive