

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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October 6, 2017

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

**Re: Human Capital Management (HCM) Disclosures Rulemaking Petition  
File 4-711 – 07/06/2017**

Dear Chairman Clayton:

The International Brotherhood of Teamsters supports the Human Capital Management Petition filed with the U.S. Securities Exchange Commission (SEC, Commission) by the Human Capital Management Coalition on July 6, 2017. Teamsters affiliated benefit funds have approximately \$100 billion of assets under management, invested in the U.S. capital markets on behalf of the funds' beneficiaries.

The Teamsters Union is grateful for the opportunity to share our interest and support in this petition requesting rulemaking on improving disclosure of what is all too often a public company's most under reported asset -- human capital. We strongly believe human capital management plays a crucial and evolving role in business. It is of great value to shareholders to understand both how well a company is managed and how a company's workforce impacts the company's long-term value and business plans.

As long-term investors, Teamster funds believe this petition is critical to providing access to important information we need for evaluating public companies. The petition is in line with central mission of the Securities and Exchange Commission to protect investors, maintain fair and efficient markets and facilitate the formation of capital. To ensure these goals are met, investors require public companies to provide accessible, transparent and meaningful data, which includes crucial human capital information.

We believe guidance by the SEC on Human Capital Management can help investors and other stakeholders gain a fuller understanding of a company's business model, underlying strategy and conditions for value-creation not only in the short-term but more importantly in the long-term. From our point of view, companies must focus on creating long-term value and should measure and evaluate qualitatively and quantitatively the outcomes associated

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with their operations. We echo the petition's request for robust human capital disclosures that would benefit owners by supporting long-term investment strategies, stabilizing markets and encouraging employers to invest in their workforces.

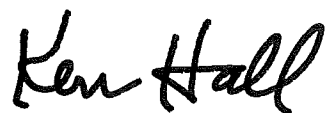
The Teamsters Union agrees with the petition that disclosure requirements may need to be tailored and not necessarily be uniformly applied across all companies, but also agrees with the petition that certain categories of information are fundamental to human capital analysis and some disclosures, whether quantitative or qualitative (or both) should be required. These include:

1. Workforce demographics (number of full-time and part-time workers, number of contingent workers, policies on and use of subcontracting and outsourcing) ;
2. Workforce stability (turnover (voluntary and involuntary), internal hire rate);
3. Workforce composition (diversity, pay equity policies/audits/ratios);
4. Workforce skills and capabilities (training, alignment with business strategy, skills gaps);
5. Workforce culture and empowerment (employee engagement, union representation, work-life initiatives) ;
6. Workforce health and safety (work-related injuries and fatalities, lost day rate);
7. Workforce productivity (return on cost of workforce, profit/revenue per full-time employee);
8. Human rights commitments and their implementation (principles used to evaluate risk, constituency consultation processes, supplier due diligence); and,
9. Workforce compensation and incentives (bonus metrics used for employees below the named executive officer level, measures to counterbalance risks created by incentives).

We understand the importance as outlined in the petition that quantitative and qualitative disclosures must complement each other and that the Commission will need to strike an appropriate balance on what are the right human capital management metrics and disclosures.

Thank you for your consideration.

Sincerely,



Ken Hall  
General Secretary-Treasurer

KH/lm