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October 31, 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,

Segal Marco Advisors is one of the largest U.S.-based investment consultancies, serving over 600 clients with combined advisory assets exceeding \$500 billion. Our expertise, research and technology help clients build sound investment programs.

I write to you today in support of the petition for public reporting on **Human Capital Management (File 4-711)**. Segal Marco Advisors is a member of the Human Capital Management Coalition, a working group comprised of institutional investors whose shared goal is to determine how Human Capital Management (“HCM”) contributes to long-term shareholder value. An omission in the U.S. Securities and Exchange Commission (“SEC”) current required corporate disclosures is HCM metrics. Many companies espouse that their employees are their most valuable asset. While this is a logical conclusion for people-driven firms as investors, we have no means by which to assess how companies are handling this most valuable asset. When compared with reporting on financial and physical capital the need for more information on HCM becomes clear.

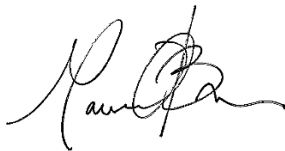
The HCM Petition is not prescriptive in directing how each listed company should report data. Instead, the petitioners take the reasonable approach of outlining nine categories of information where investors broadly agree a lack of disclosure should be remedied. Such information is material to business operations and investors. Without systematic and standardized reporting, investors are unequipped to compare the productivity of staff across a sector. Likewise, while ample research shows factors such diversity, pay equity, and supply chain due diligence may have material impacts there is no comprehensive data source to assess companies on these points.

The nine categories of the requested disclosure are:

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).

The paucity of HCM information prevents investors from identifying the companies that excel at HCM utilization. We encourage the Commission to consider the petition as a potential remedy.

Sincerely,



Maureen O'Brien  
Vice President, Director of Corporate Governance  
Segal Marco Advisors