



December 7, 2017

Honorable Jay Clayton

via Email: chairmanoffice@sec.gov

U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

**Re: Human Capital Management (HCM) Disclosures Rulemaking Petition
File No. 4-711 – 07/06/2017**

Dear Chairman Clayton,

The [Thirty Percent Coalition](#) (“the Coalition”) is a national organization representing more than [90 members](#) including public and private companies, professional services firms, and many major women’s organizations and advocacy groups. Within our membership we also have a significant group of Institutional Investors with more than \$3.2 trillion in AUM.

I am writing in support of the [Human Capital Management Petition](#) filed with the U.S. Securities and Exchange Commission (“SEC” or “Commission”) by the [Human Capital Management Coalition](#) (“HCM”) on July 6, 2017. On behalf of the Coalition’s members, we appreciate the opportunity to share our interest and support in this petition requesting rulemaking on better disclosures on a public listed company’s most important asset, its human capital. We believe that human capital management plays a complex and dynamic role in business and is valuable to understanding how well a company is managed. Human capital management also provides insight into how employees impact the company’s value and long-term strategy and business plans.

The Thirty Percent Coalition members are long-term investors. They see this petition as an important mechanism to facilitate better access to information investors need to make informed investment decisions. We agree with the HCM Coalition’s petition that:

“Research has shown that differences in human capital management performance can form the basis for successful investment strategies. Human capital management matters not only when it confers competitive advantage and improves firm performance. Material risks related to human capital management can create substantial risks for companies and investors, damaging corporate reputation, generating legal liabilities and undermining relationships with key stakeholders.”¹

¹ HCM Petition filed with the SEC, page 4 and 8, July 6, 2017 <https://www.sec.gov/rules/petitions/2017/petn4-711.pdf>

We regard the SEC's mission to protect investors, maintain fair, orderly and efficient markets and facilitate capital formation as supportive of the HCM petition's request. We believe the SEC's underlying goals as outlined on its website to "Inform and protect investors, facilitate capital formation, enforce federal securities laws, regulate securities markets and provide data" are fundamental to the petition's request which is interrelated to the SEC's goal to require public companies to disclose meaningful financial and other information to the market.

Our investors have been especially active during the past several years engaging with companies, asking that they enhance their disclosure policies. Only through the steady, flow of timely, comprehensive and accurate information does the market work efficiently and effectively. If stakeholders are to reap the full benefits of the global capital market, the SEC should have an inherent interest in ensuring better transparency and robust disclosures that will facilitate a more active, productive capital market to facilitate capital formation that is important to the U.S. economy.

The Coalition believes guidance by the SEC on HCM 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. We also believe that companies need to focus on creating long-term value and explore new opportunities to measure and evaluate the broader outcomes associated with their organizations, operations, programs and projects. We support 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.

As outlined in the petition, disclosure requirements may need to be tailored and not necessarily applied to across-the board disclosure requirements. However, 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, 111 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)

The Honorable Jay Clayton
Chairman, SEC
Human Capital Management Petition
Page 3 of 3

8. Human rights commitments and their implementation (principles used to evaluate risk, constituency consultation processes, supplier due diligence)
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 will complement each other and similar to the SEC's efforts on Compensation Disclosure and Analysis (CD&A), the Commission will need to find the appropriate balance on what are the right human capital management metrics and disclosures.

Thank you in advance for your consideration of our views on this important issue.

Sincerely,



Charlotte Laurent-Ottomane
Executive Director
Tel. [REDACTED]
[REDACTED]