



April 6, 2026

Ms. Vanessa Countryman  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Re: Statement on Reforming Regulation S-K

Dear Ms. Countryman:

## **I. Introduction and Summary**

We respectfully submit this comment in response to the Commission's request for input on potential reforms to Regulation S-K, as described in the January 13, 2026 Statement on Reforming Regulation S-K.<sup>1</sup>

We urge the Commission to refrain from eliminating or materially weakening existing Regulation S-K disclosure requirements. From the perspective of investors and shareholder representatives, the current framework provides decision-useful, comparable, and legally reliable information that is essential to evaluating risk, protecting long-term company value, and supporting efficient capital allocation. In our experience, investors and investment related fiduciaries benefit from more, not less, standardized disclosure.

## **II. About *As You Sow***

Founded in 1992, *As You Sow* is a shareholder representative organization that promotes corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. Our work is grounded in the belief that most business risks can be addressed through improved corporate practices and transparency.

As shareholders and investor representatives, we engage directly with corporate management to address practices that may expose companies to risk and to encourage strategies that protect long-term company performance and shareholder value. Over more than three decades, we have engaged hundreds of corporations on issues that affect operational resilience, regulatory exposure, product safety, workforce practices, and long-term business sustainability, with the goal of improving financial performance and safeguarding long-term value.

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<sup>1</sup> Paul S. Atkins, Statement on Reforming Regulation S-K (Jan. 13, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326>.



### III. Importance of Regulation S-K Disclosures to Shareholders

As both a shareholder and a shareholder representative, *As You Sow* relies on Regulation S-K disclosures to assess how companies identify, manage, and disclose material risks that may affect long-term company value. We use these disclosures in our own investment decisions, to assist other shareholders in evaluating risks within their portfolio companies, and guiding engagement with corporate management. These disclosures are essential for assessing whether companies are aware of and effectively managing risks, and whether they are positioning themselves for strong long-term performance. Reducing the availability or quality of these disclosures would impair shareholders' ability to oversee risk, hold companies accountable, and to make informed capital allocation decisions.

Regulation S-K establishes line-item disclosure requirements for narrative and qualitative information in registration statements and periodic reports.<sup>2</sup> These disclosures operate alongside Regulation S-X and the Commission's anti-fraud provisions to form an integrated disclosure regime. While the Commission has expressed concern that disclosure requirements may include immaterial information that obscures key insights,<sup>3</sup> reducing line-item requirements would risk undermining comparability, increasing issuer discretion, and shift disclosure toward less reliable, voluntary channels. The structured and mandatory nature of S-K disclosures is critical because these disclosures are subject to liability, comparable across issuers, and provide insight into risks and governance issues that would not otherwise be disclosed.

### IV. Disclosure Volume

Concerns regarding "information overload" should not drive reductions in disclosure. The quantity of information is not a sufficient basis to eliminate required disclosures, particularly given the widespread use of technology and analytical tools that enable investors to efficiently process and filter large volumes of data. A disclosure framework that prioritizes limiting volume over ensuring completeness risks becoming outdated and less useful to modern investors.

### V. Importance of Specific Regulation S-K Items

While we discuss certain Regulation S-K items below in detail, these examples are illustrative rather than exhaustive. The full set of Regulation S-K disclosures operates together to provide a complete picture of company risk, governance, and performance, and no single item should be viewed in isolation when considering potential reforms.

Item 105 of Regulation S-K, which requires disclosure of material risk factors, is a primary source of issuer-identified risks, including operational, regulatory, legal, and market risks.<sup>4</sup> In our capacity as a shareholder and shareholder representative, *As You Sow* relies on these

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<sup>2</sup> 17 C.F.R. Part 229.

<sup>3</sup> Atkins Statement, *supra* note 1.

<sup>4</sup> 17 C.F.R. § 229.105.



disclosures as direct statements of company risk exposure made pursuant to federal securities laws. We use these disclosures to compare risk profiles across companies and to identify gaps between disclosed risks and company practices, informing our investment decision making, our company engagements, and our representation of other investors.

Item 303, which governs Management’s Discussion and Analysis (“MD&A”), requires disclosure of known trends or uncertainties reasonably likely to have a material effect on financial condition or results of operations.<sup>5</sup> In our role as a shareholder and shareholder representative, we rely on MD&A to understand how management evaluates forward-looking risks and allocates capital in response. MD&A provides critical insight into how risks translate into financial performance and strategic planning, allowing us to assess whether companies are appropriately managing risks that may affect long-term value. The Commission has long recognized MD&A as a mechanism for understanding a company through the eyes of management.<sup>6</sup> Weakening this requirement would significantly reduce investor insights and informed decisions.

Item 101 requires disclosure of the material aspects of a registrant’s business, including its regulatory environment and workforce.<sup>7</sup> We rely on these disclosures to assess structural exposure to risk, including dependencies on specific markets, inputs, or regulatory frameworks. These disclosures are essential for understanding how a company operates and where vulnerabilities may arise over time.

Item 103 requires disclosure of material legal proceedings.<sup>8</sup> We rely on these disclosures to identify litigation, enforcement actions, and potential liabilities that may affect financial performance or reputation. These disclosures often serve as an early indicator of emerging risks and provide insight into a company’s risk management and compliance practices.

Items 401 through 407 require disclosure of directors, executive officers, and governance structures.<sup>9</sup> We rely on these disclosures to evaluate whether boards are appropriately structured to oversee risk and whether governance systems support accountability. These disclosures directly inform our engagement and evaluation of board effectiveness, particularly with respect to oversight of significant business risks.

Item 402 requires detailed disclosure of executive compensation.<sup>10</sup> We rely on these disclosures to assess whether management incentives align with long-term company performance and

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<sup>5</sup> 17 C.F.R. § 229.303.

<sup>6</sup> Commission Guidance Regarding MD&A, Release No. 33-8350 (Dec. 19, 2003).

<sup>7</sup> 17 C.F.R. § 229.101.

<sup>8</sup> 17 C.F.R. § 229.103.

<sup>9</sup> 17 C.F.R. §§ 229.401–407.

<sup>10</sup> 17 C.F.R. § 229.402.



appropriate risk management. Where incentives are misaligned, there is increased risk that management decisions may prioritize short-term results over long-term value.

Item 403 requires disclosure of beneficial ownership.<sup>11</sup> We rely on these disclosures to understand control dynamics and how ownership concentration may influence decision-making and governance outcomes.

## **VI. Value of Standardized Rule-Based Disclosures**

Within the existing disclosure framework, we find rules-based disclosures to be particularly useful because they promote consistency and comparability across issuers and time. While principles-based disclosures can provide flexibility, they are often drafted in a manner that varies significantly between companies, making meaningful comparison difficult. Principles-based disclosures are most effective when complemented by clear, rules-based requirements that ensure investors receive standardized, decision-useful information.

## **VII. Identification of Emerging Risk**

Our experience demonstrates that information not viewed as material in the short term for a particular company may nonetheless be highly relevant to investors and may become clearly material over time. Critically, disclosures provided under the existing Regulation S-K framework, including risk factor disclosures under Item 105 and management's discussion of known trends and uncertainties under Item 303, enable investors to identify, assess, and act on such risks before they are reflected in financial performance or legal outcomes. Disclosures regarding risk factors, management discussion of trends and uncertainties, legal proceedings, and governance provide the baseline information necessary for investors to evaluate how companies are managing emerging risks. When considered collectively or over time, such disclosures allow investors to identify patterns, compare practices across issuers, and assess potential impacts on a company's reputation, business relationships, and long-term performance.

There are several examples where this has manifested in practice, including concerns regarding executive compensation structures and governance practices in the years preceding the 2008 financial crisis. Shareholders filed hundreds of proposals prior to the crisis seeking to limit excessive executive compensation and better align pay with long-term performance, reflecting concerns about incentive structures and risk oversight.<sup>12</sup> These concerns were later validated by

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<sup>11</sup> 17 C.F.R. § 229.403.

<sup>12</sup> See, e.g., Yonca Ertimur, Fabrizio Ferri & Volkan Muslu, *Shareholder Activism and CEO Pay* (2009), <http://pbfea2005.rutgers.edu/20thFEA/AccountingPapers/Session5/Ertimur,%20Ferri,%20and%20Muslu.pdf> (documenting 1,198 shareholder proposals related to executive compensation from 1997–2007).



regulatory and academic findings that compensation incentives contributed to excessive risk-taking within financial institutions.<sup>13</sup>

More recently, investors, including *As You Sow*, have relied on disclosures made pursuant to Regulation S-K, including Item 105 risk factor disclosures and Item 303 discussion of business practices and operational risks, to identify risks associated with online platform design and operation, including harmful content, child safety, and human trafficking. These concerns were raised through direct engagement with Meta Platforms, Inc. and formalized through multiple shareholder proposals requesting improved disclosure and board-level oversight of platform-related risks, including the effectiveness of content moderation systems and safeguards to protect vulnerable users.<sup>14</sup> These risks have now been validated by significant litigation outcomes, including jury verdicts relating to failures to address platform harms,<sup>15</sup> demonstrating that risks identified by investors, including those appropriately disclosed under Item 105, may not be fully recognized by issuers until they result in financial, legal, or reputational consequences.

### VIII. Areas Where Additional Disclosure Would be Beneficial

Our investment and stewardship activities would be further strengthened by access to more consistent, comparable, and reliable disclosures in areas where gaps persist. In particular, additional standardized disclosure related to workforce management, long-term risk exposure, corporate political spending, tax practices, and capital allocation decisions such as stock repurchases would enhance our ability to evaluate risk and long-term value. We have sought such information through shareholder proposals, regulatory comments, and direct engagement with companies, underscoring that these are areas of demonstrated investor interest.

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<sup>13</sup> See, e.g., Lucian A. Bebchuk et al., *The Wages of Failure: Executive Compensation at Bear Stearns and Lehman Brothers 2000–2008*, Yale Journal on Regulation (2009), [https://fcic-static.law.stanford.edu/cdn\\_media/fcic-docs/2010-00-00%20Bebchuk-Cohen-Spamann%20-%20The%20Wages%20of%20Failure.pdf](https://fcic-static.law.stanford.edu/cdn_media/fcic-docs/2010-00-00%20Bebchuk-Cohen-Spamann%20-%20The%20Wages%20of%20Failure.pdf) (finding compensation structures incentivized excessive risk-taking); Fed. Reserve Bank of N.Y., *Executive Compensation and Risk Taking* (2010) [https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr456.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr456.pdf) (analyzing how executive compensation structures can incentivize excessive risk-taking within financial institutions); U.S. Senate Permanent Subcommittee on Investigations, *Wall Street and the Financial Crisis: Anatomy of a Financial Collapse* (2011).

<sup>14</sup> *As You Sow*, Exempt Solicitation to Shareholders of Meta Platforms, Inc. (Proposal Regarding Enforcement of Community Standards and User Content) (Apr. 2023), <https://www.sec.gov/Archives/edgar/data/1086462/000121465923006039/g427230px14a6g.htm> (highlighting risks related to harmful content, misinformation, and failures in enforcement of platform policies); *As You Sow*, Exempt Solicitation to Shareholders of Meta Platforms, Inc. (Report on Enforcement of Community Standards and User Content) (Apr. 22, 2022), <https://www.sec.gov/Archives/edgar/data/1326801/000121465922005683/p22224px14a6g.htm> (requesting a report on the effectiveness of enforcement of community standards and addressing risks associated with harmful and misleading content on the platform).

<sup>15</sup> *As You Sow*, Press Release (Mar. 26, 2026); State of New Mexico v. Meta Platforms Inc. (2026).



## **IX. Materiality and Mandatory Disclosure**

We also do not believe that Regulation S-K disclosures should be subject to an issuer-determined materiality standard. Disclosures should remain mandatory regardless of an issuer's individualized materiality assessment. Materiality, as articulated by the Supreme Court, turns on whether there is a "substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available."<sup>16</sup> This standard is focused on the reasonable investor - not the issuer. Investors have consistently demonstrated, through engagement and shareholder proposals, that they consider many categories of information important even where issuers may not independently choose to disclose them. Too often, issuers do not believe an issue is relevant or significant enough to report until harm emerges.

Comparability across issuers is also a foundational objective of the Commission's disclosure regime. Allowing issuer-specific materiality determinations to dictate all disclosures would undermine this comparability and reduce the usefulness of disclosures for evaluating companies across industries and over time. Standardized, mandatory disclosure ensures that investors receive consistent and reliable information necessary to assess risk and long-term value.

## **X. Importance of Liability and Anti-Fraud Provisions**

We also strongly oppose any effort to expand safe harbors or otherwise reduce liability under the federal securities laws for required disclosures. Anti-fraud provisions are essential to maintaining the accuracy and reliability of the disclosure system. Without meaningful accountability, investor confidence in company disclosures would be significantly undermined.

## **XI. Conclusion**

Reducing or eliminating existing Regulation S-K requirements would likely diminish comparability, increase reliance on non-standardized disclosures, impair the ability of investors to identify emerging risks, and increase information asymmetry. The value of many disclosures becomes apparent only when analyzed across companies and over time. Information that may appear immaterial in isolation may be highly significant in context.

A defining feature of the U.S. capital market, and a key driver of investor confidence, is its robust, standardized, and required disclosure requirements. The Commission has long recognized that high-quality disclosure promotes efficient capital formation and fair markets.<sup>17</sup> Weakening Regulation S-K would risk undermining these objectives and thereby jeopardize market participation.

For the foregoing reasons, we urge the Commission to maintain and, where appropriate, enhance—rather than reduce—existing Regulation S-K disclosure requirements. These

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<sup>16</sup> *TSC Indus., Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976).

<sup>17</sup> Securities Act of 1933; Securities Exchange Act of 1934.



AS YOU SOW

disclosures are essential for evaluating risk, protecting long-term company value, and supporting informed investment and engagement decisions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'A. Behar', with a long horizontal flourish extending to the right.

Andrew Behar  
Chief Executive Officer, *As You Sow*