



April 13, 2026

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

Submitted via regulations.gov.

**Re: Statement on Reforming Regulation S-K**

Dear Ms. Countryman:

On behalf of the American Federation of State, County and Municipal Employees (AFSCME), I am pleased to provide these comments to the U.S. Securities and Exchange Commission's (SEC or Commission) regarding potential reforms to disclosure requirements under Regulation S-K. Because the efficient and orderly operation of our markets depends on investors being able to make informed decisions, we urge the Commission to protect investors' access to information and expand current disclosure requirements to meet the evolving needs of the investing community, rather than eliminating or watering down current Regulation S-K disclosure requirements.

AFSCME's 1.4 million members provide the vital services that make America happen. With members in communities across the nation, serving in hundreds of different occupations — from nurses to corrections officers, child care providers to sanitation workers — AFSCME advocates for fairness in the workplace, excellence in public services and freedom and opportunity for all working families. AFSCME members participate in over 150 public pension systems, private-sector single and multiemployer pension plans and public and private defined contribution retirement plans.

We welcome the opportunity to provide our views on how the Commission can improve Regulation S-K. AFSCME values current required disclosures and supports expanding disclosures. Relevant and material disclosures advance the Commission's mission of protecting investors, maintaining fair, orderly and efficient markets and facilitating capital formation. Although much has been made of "information overload," there is no problem with robust disclosure. Despite an assertion that Regulation S-K currently elicits "both material and a plethora of undisputably immaterial information," we do not believe any investors are worse off for access to "too much" information and that the bulk of market participants do not feel that they are inundated with useless information. New technologies enable investors to analyze and dissect large amounts of information. We agree with a recently published opinion from the CFA Institute's Sandy Peters, which noted that technological advances enable investors to analyze and

**American Federation of State, County and Municipal Employees, AFL-CIO**

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digest risk factor disclosures rapidly and at scale, as well as the fact that data providers are already sorting and organizing information for investors.<sup>1</sup>

We find rules-based disclosures, rather than principles-based, as more useful for providing investors with essential consistency and comparability. We support the SEC Investor Advisory Committee’s 2016 position that Regulation S-K is and should remain primarily rules based.<sup>2</sup> Private ordering through shareholder proposals and investor engagement has produced voluntary disclosures, but these disclosures have clear limitations, including comparability and enforceability. A 2021 study looking at human capital disclosures bears this out, finding many companies took advantage of a rule that did not call for hard human capital numbers, with a majority of companies choosing not to disclose the percentage of women and racial minorities they employ.<sup>3</sup> These limitations show the need for clear rules-based, line-item disclosures in this area: Investors need comparable and consistent information, and issuers need definitive guidance and a level playing field.

Investors require a wide range of information designed to understand the long-term performance and risk management strategies of public-reporting companies. We believe the SEC’s disclosure rules need to meet increasing investor demands for additional environmental, social and governance (ESG) information, a position AFSCME previously endorsed when we signed the 2018 petition for rulemaking on ESG disclosure urging disclosure rulemaking for climate, human capital management, political spending, country-by-country tax reporting, human rights, gender pay ratios and diversity.<sup>4</sup>

Investors need comparable, consistent information to make investment and voting decisions, and issuers need a clearly defined framework to disclose material, decision-useful, comparable and consistent information. We believe investors continue to face disclosure gaps on many issues, including political spending, human capital management and tax transparency, which we discuss further below.

Political Spending Disclosure: Disclosure of corporate political spending should be included as part of additional disclosures. Since 2011, AFSCME has worked with a coalition of investors that have filed more than 600 shareholder proposals asking companies to provide lobbying disclosure reports.<sup>5</sup> This has given us a perspective on lobbying’s role shaping regulatory policy, through both direct issuer lobbying and indirect and undisclosed lobbying through trade associations and social welfare groups. Over the last two decades, transparency regarding corporate political activities has been a key issue in corporate engagements with investors, with shareholder proposals focused on political transparency consistently ranking the highest in volume for proposals submitted at U.S. companies.<sup>6</sup> Reflecting this investor demand, the SEC received more than 1.2 million comments — more than any other SEC rulemaking petition in the

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<sup>1</sup> Sandy Peters, “Is the SEC regulating for a pre-AI world?,” CFO Dive, February 24, 2026, at: <https://www.cfo.com/news/is-the-sec-regulating-for-a-pre-ai-world-Paul-Atkins-Sandy-Peters-CFA-Institute/812851/>.

<sup>2</sup> SEC Investor Advisory Committee Letter on Regulation S-K (June 15, 2016). Available at: <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-approved-letter-reg-sk-comment-letter-062016.pdf>.

<sup>3</sup> “Companies Avoid Revealing Human Capital Metrics,” Intelligize, April 27, 2021, at: <https://www.intelligize.com/intelligize-report-companies-avoid-revealing-human-capital-metrics/>.

<sup>4</sup> “Request for Rulemaking on Environmental, Social and Governance (ESG) Disclosure,” October 1, 2018, at: <https://www.sec.gov/rules/petitions/2018/petn4-730.pdf>.

<sup>5</sup> “New SEC Rules Undermine Lobbying Disclosure Proposals,” Proxy Preview, April 1, 2025, at: <https://www.proxypreview.org/contributor-articles-2025/new-sec-rules-undermine-lobbying-disclosure-proposals>.

<sup>6</sup> Subodh Mishra, “Corporate Political Activity Disclosures: A Continued Priority for Investors and Companies,” Harvard Law School Forum on Corporate Governance, November 12, 2024, at: <https://corpgov.law.harvard.edu/2024/11/12/corporate-political-activity-disclosures-a-continued-priority-for-investors-and-companies/>.

history of the SEC<sup>7</sup> — in support of a rule to require corporate political spending disclosure, including comments from AFSCME,<sup>8</sup> institutional investors, members of Congress, state treasurers, former SEC chairs and commissioners, foundations, pension funds and individual investors.

Human Capital Management: Human capital management is material information for investors. Although many executives refer to a company’s workforce as its greatest asset, companies typically disclose little about how they manage that asset. The Commission should adopt human capital disclosure rules that include the entire workforce that is material for investor decision-making. AFSCME strongly supports the Human Capital Management Coalition’s petition for rulemaking filed in 2017.<sup>9</sup>

Tax Disclosure: Investors also require greater corporate tax transparency disclosure. The amount of taxes paid is material to a company’s long-term sustainability, and exposure of aggressive tax practices can lead to legal, regulatory and reputational risks. We believe the SEC should revise the current tax disclosure framework to require corporations to publicly report their profits, taxes, revenues and employees on a country-by-country basis. Additionally, we believe companies should be required to disclose the full list of their subsidiaries, rather than the current standard for “significant” subsidiaries. AFSCME has long supported greater transparency of tax risks and has endorsed the July 2024 tax transparency rulemaking petition, which we signed along with more than 80 other investors representing more than \$2.3 trillion in assets under management.<sup>10</sup>

In closing, we appreciate the opportunity to share our views on this important review. We urge the Commission to protect investors’ access to information and expand current disclosure requirements to meet the evolving needs of the investing community. The efficient and orderly operation of our markets depends on investors being able to make informed decisions. We hope the Commission will use this opportunity to improve our disclosure regime for the benefit of investors and our financial system as a whole. If you have any questions, or need additional information, please do not hesitate to contact John Keenan at [jkeenan@afscme.org](mailto:jkeenan@afscme.org).

Sincerely,

/s/ Dalia R. Thornton

Dalia R. Thornton  
Director  
Department of Research and Collective  
Bargaining Services

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<sup>7</sup> Lucian Bebchuk and Robert Jackson, “The Million-Comment-Letter Petition: The Rulemaking Petition on Disclosure of Political Spending Attracts More than 1,000,000 SEC Comment Letters,” Harvard Law School Forum on Corporate Governance, September 14, 2014, at: <https://corpgov.law.harvard.edu/2014/09/04/the-million-comment-letter-petition-the-rulemaking-petition-on-disclosure-of-political-spending-attracts-more-than-1000000-sec-comment-letters/>.

<sup>8</sup> AFSCME Comment Letter (February 1, 2012), available at: <https://www.sec.gov/comments/4-637/4637-175.pdf>.

<sup>9</sup> AFL-CIO, AFSCME, et al, Comment Letter, (January 18, 2022), available at: <https://www.sec.gov/comments/4-711/4711-20112177-265269.pdf>; Americans for Financial Reform Education Fund, AFL-CIO, AFSCME, et al, Comment Letter to Chair Gensler (February 24, 2024), available at: <https://files.ourfinancialsecurity.org/2024/02/HCM-Coalition-Letter-1.pdf>.

<sup>10</sup> “Petition for Rulemaking to Require Disclosure of Tax-Relevant Information for Each Country,” July 1, 2024, at: <https://www.sec.gov/files/rules/petitions/2024/petn4-835.pdf>.