

CEO of The Hashimoto's Solution Re: SEC's Modernization of Regulation S-K Items 101, 103, & 105

At The Hashimoto's Solution, we have found that firms that carefully address the social and governance (ESG) issues associated with their business sectors, can outperform their rivals in the longer term. As a woman-owned business, The Hashimoto's Solution takes our human capital management practices very seriously. In doing so, we can draw in, establish and preserve top-quality workers and will in all likelihood, be far better performers overall.

Investment exposures associated with poor human capital management practices have made headlines recently, with highlighted case studies of unprofessional behavior and race prejudice; to name just a few problems. Such crucial issues will negatively impact an organization's reputation, hamper employee acquisition opportunities and diminish competitiveness in its vertical market. For this reason, diversity and inclusion are increasingly essential considerations in human capital management best practices.

Recent research argues that abating harassment in the workplace demands an increased focus on recruiting and promoting more women. Even so, such preferences must be merit-based, not merely to fill a quota. In cases where females with higher competencies than their male alternatives have been hired, evidence has established that broader staff diversity generates superior operational results.

In "**Economic Geography, Cultural Diversity, Innovation and Entrepreneurship: Firm-level Evidence from London; by M. Nathan, N. Lee; (October 2015)**", it was determined that *"Innovation also benefits from diversity. Pooled data from more than 7000 firms revealed that businesses run by culturally diverse leadership teams were more likely to develop new products than those with less diverse leadership."*

I also refer to the following articles published by TheCorporateCounsel.net website:

1. Board Gender Diversity: Good for Business
2. Gender Quotas on Boards?
1. "Just Vote No": State Street's Alternative to Quotas

In conclusion, I highly recommend that your panel resolves the proposed changes to weigh the interests and influence of all stakeholders very carefully. Hopefully, we can discover a win-win balance; if it is indeed possible. I am convinced that we can profit from a principles-based, versatile solution that balance the contribution and concerns of all stakeholders associated with any given organization.

Respectfully submitted,

Karen Cross

CEO

The Hashimoto's Solution

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