



## Zoe Bray-Cotton of Yoga Burn Reviews SEC's Modernization of Regulation S-K Items 101, 103, and 105

File Number S7-11-19

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At Yoga Burn Challenge, we believe businesses that carefully manage the social and governance (ESG) issues facing their respective industries, will be best positioned to outperform over the long term. As a woman owned business, Yoga Burn takes seriously its human capital management practices. Companies that are best able to attract, develop and retain high quality employees are likely to be better performers.

Investment risks associated with poor human capital management have come to the forefront recently with instances of sexual harassment and racial discrimination. These important issues will adversely affect an organization's reputation, stifle talent acquisition and reduce competitive advantage in its respective vertical market. Consequently, diversity and inclusion are increasingly essential considerations in human capital management best practices.

Research indicates that reducing harassment in the workplace requires a focus on hiring and promoting more women. However, such selection must be merit-based, not quota-based. When women possessing equal or greater skills than their male co-applicants are selected, then evidence shows that this greater workforce diversity leads to better business outcomes.

In "Economic Geography, Cultural Diversity, Innovation and Entrepreneurship: Firm-level Evidence from London; 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."*

Likewise, McKinsey & Company's publication "Delivering through Diversity" by Hunt, Prince, Dixon-Fyle, Yee; January, 2018 posited that *in 2015, and in a more extensive study in 2017 that highly diverse executive teams had higher returns on*

*equity and earnings performance than those with low diversity. Companies in the top quartile for ethnic/cultural diversity were 33 % more likely to have industry-leading profitability. Companies in the top quartile for substantial gender diversity on their executive teams were 21% more likely to have industry-leading profitability.*

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

1. Board Gender Diversity: Good for Business
2. Gender Quotas on Boards?
3. “Just Vote No”: State Street’s Alternative to Quotas

In conclusion, I recommend that your board directly addresses the stated requirements to weigh the concerns and impact on all stakeholders carefully. Hopefully, we can find a win-win balance; in as much as that might be possible. I believe we can benefit from a principles-based, flexible approach that balances the contribution and needs of all stakeholders.

Sincerely,

**Zoe Bray-Cotton**

**CEO - Yoga Burn Challenge**

[https://www.youtube.com/channel/UCSdoWIo08YTr\\_GzfgaOgOTw](https://www.youtube.com/channel/UCSdoWIo08YTr_GzfgaOgOTw)

<https://yogaburnchallenge.com/>