June 27, 2017

Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Clayton:

On behalf of the Human Capital Management Coalition (the “HCM Coalition”), a global group of institutional investors representing over $2.5 trillion in assets, I am writing to inform you that the HCM Coalition will be submitting a petition for rulemaking in the coming weeks about the need for improved reporting on human capital management. Established in 2013, the HCM Coalition is a cooperative effort among a diverse group of influential institutional investors to further elevate human capital management as a critical component in company performance. See attached additional information regarding the HCM Coalition.

In addition to our filing we are interested in meeting with you and your staff to share with you our rationale for the petition and to discuss the possibility of enhanced disclosures on human capital management at publicly listed companies. In short, we would like to provide more background on our human capital management request and hear the SEC’s perspective on developing the best approach to improved human capital management disclosures.

The members of the HCM Coalition have a compelling interest in ensuring that the companies in which we invest are positioned for sustainability and growth over the long term. In our view, effective human capital management is essential to long-term value creation and therefore material to evaluating a company’s prospects over time. These views are supported by a large body of empirical evidence demonstrating the link between the effective management of human capital and better corporate performance across a number of dimensions including increased capital efficiency, profitability, and higher returns to shareholders. Evidence also shows that poor human capital management practices can create substantial operational, reputational, and legal risks that can lead to depressed financial performance.

We are concerned that the current reporting rules limit mandated disclosures on workforce information to the number of individuals employed by the issuer. Limited disclosures prevent investors from adequately assessing a company’s business, risks and prospects for investment, engagement or voting purposes. We strongly believe that greater transparency would allow investors to more efficiently direct capital to its highest value use, thus lowering the cost of capital for well-managed companies. It also would obviate the need for issuers to respond to a multitude of investor requests for human capital-related
information, make that information easier for all investors to collect and analyze, and level
the playing field for investors that are not large enough to demand or otherwise access
individualized disclosure.

In an effort to broaden and enrich the conversation on the value of human capital
management and the importance of more effective disclosure to investors, our HCM
Coalition’s petition for rulemaking asks the Commission to work together with companies,
investors and other stakeholders in developing standards that would require listed
companies to disclose information to investors on human capital management policies,
practices, and performance. As a starting point, the petition presents nine broad categories
of key information.

It is our belief that requiring disclosure regarding human capital management would fulfill
the Commission’s core mission of investor protection, satisfy Congressional mandates to
promote efficiency, competition and capital formation; and serve the public interest.

We look forward to working with you on this important issue and are available to meet at
your convenience.

On behalf of the Human Capital Management Coalition:

Sincerely,

Meredith Miller,
Chief Corporate Governance Officer
UAW Retiree Medical Benefits Trusts
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Cc: Michael Piwowar
Commissioner
U.S. Securities and Exchange Commission

Kara Stein
Commissioner
U.S. Securities and Exchange Commission

William Hinman
Director, Division of Corporate Finance
U.S. Securities and Exchange Commission

Enclosure
About the Human Capital Management Coalition

The Human Capital Management Coalition (the “HCM Coalition”) is a cooperative effort among a diverse group of institutional investors to further elevate human capital management as a critical component in company performance. The Coalition engages companies and other market participants with the aim of understanding and improving how human capital management contributes to the creation of long-term shareholder value.

The HCM Coalition is led by the UAW Retiree Medical Benefits Trust and includes 25 asset owners representing over $2.5 trillion in assets.

The members of the HCM Coalition are:

UAW Retiree Medical Benefits Trust
AFL-CIO Office of Investment
Amalgamated Bank LongView Funds
California State Teachers’ Retirement System
Calvert Research and Management
Connecticut Retirement Plans and Trust Funds
CtW Investment Group
Domini Social Investments
Hermes Equity Ownership Services
Illinois State Board of Investment
Office of Illinois State Treasurer Michael W. Frerichs
International Brotherhood of Teamsters
Legal and General Investment Management
LiUNA
Nathan Cummings Foundation
Office of New York City Comptroller Scott M. Stringer
Office of the New York State Comptroller Thomas P. DiNapoli
Ohio Public Employees Retirement System
Pennsylvania Treasury
Segal Marco Advisors
Sycomore AM
Trillium Asset Management
UAW Employees Pension and Severance Plan
UFCW Pension Plan for Employees
Zevin Asset Management