



# AFL-CIO

AMERICA'S UNIONS

**American Federation  
of Labor and  
Congress of Industrial  
Organizations**

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August 29, 2023

Honorable Gary Gensler, Chair  
Honorable Hester Peirce, Commissioner  
Honorable Caroline Crenshaw, Commissioner  
Honorable Mark Uyeda, Commissioner  
Honorable Jaime Lizárraga, Commissioner  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Re: [File No. 4-787] Rulemaking petition to require public companies to disclose public companies' investments in their workforce, and [File No. 4-711] Rulemaking petition to require issuers to disclose information about their human capital management policies, practices and performance

Dear Chair Gensler and Commissioners Peirce, Crenshaw, Uyeda and Lizárraga:

On behalf of the AFL-CIO and our 60 affiliated labor unions that represent more than 12.5 million working people, I write to urge the commission to propose a rule on human capital management disclosure as soon as possible. We greatly appreciate the commission's ambitious investor protection rulemaking agenda under Chair Gensler's leadership and commend the commission's work on these important rules. In our view, the time has come for the commission to move forward with its long-anticipated rulemaking on human capital management disclosure.

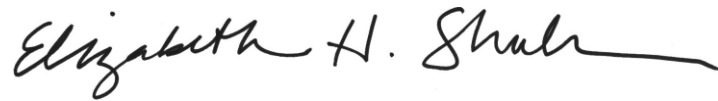
Investors, including union members' pension and employee benefit plans, have long sought improved transparency on how companies manage their workforces. As noted in the 2022 rulemaking petition by the business and law school professors' Working Group on Human Capital Accounting Disclosure, 90% of the S&P 500 index's valuation consists of intangible assets. These intangible assets such as intellectual property and brand reputation are primarily created by human capital—the skills, knowledge and experience of company workforces.

Chair Gensler and Commissioners Peirce, Crenshaw, Uyeda and Lizárraga  
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We have long advocated for improved disclosure of how companies are managing their human capital and investing in their workforces. We are pleased to be members of the Human Capital Management Coalition, a group of institutional investors with over \$9 trillion in assets under management. We strongly supported the Human Capital Management Coalition's petition for rulemaking in 2017, and we were pleased when the commission announced its intention to propose a human capital management disclosure rule in the Spring 2021 Unified Agenda.

We greatly appreciate the work of the commission and its staff in preparing a human capital management disclosure proposed rule for release, and we look forward to commenting on the commission's proposed rule in the near future. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth H. Shuler". The signature is written in a cursive style with a long horizontal flourish at the end.

Elizabeth H. Shuler  
President

EHS/LR/vh