The Investor-First Approach to Human Capital Reporting

Balancing Fundamental Metrics and Tailored Principles for Optimal Analysis and Decision-Making

May 2021

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Who We Are

The **Human Capital Management Coalition** (HCMC) is a cooperative effort to further elevate human capital management as a critical component in company performance.

The HCMC is the only group run exclusively by asset owners
to engage investors, companies, and other market participants to understand and improve how human capital management contributes to the creation and protection of long-term shareholder value.

35 Funds with Global Reach

$6.6+ Trillion USD in Assets

Co-Op Run By and For Asset Owners

HCMC Member List (35 funds; US$6.6+ trillion)

(Updated January 2021)

UAW Retiree Medical Benefits Trust*

California State Teachers' Retirement System (CalSTRS)*

AFL-CIO Office of Investment

Amalgamated Bank LongView Funds

APG Asset Management

BMO Global Asset Management

BNP Paribas Asset Management

California Public Employees' Retirement System (CalPERS)

Calvert Research and Management

Connecticut Retirement Plans and Trust Funds

CtW Investment Group

Domini Impact Investments, LLC

Hermes Investment Management

International Brotherhood of Teamsters

Legal and General Investment Management

LiUNA

The Nathan Cummings Foundation

Northern Local Government Pension Scheme

Northern Trust

Office of Illinois State Treasurer Michael W. Frerichs

Office of the New York City Comptroller Scott Stringer

Office of the New York State Comptroller Thomas P. DiNapoli

Office of Oregon State Treasurer Tobias Read

Office of Vermont State Treasurer Beth Pearce

Ohio Public Employees Retirement System

Pennsylvania Treasury

Schroders

Segal Marco Advisors

SEIU Master Trust

Trillium Asset Management

UAW Employees Pension and Severance Plan

UFCW Pension Plan for Employees

Vermont Pension Investment Committee

Wespath

Zevin Asset Management

Denotes co-chairs of coalition

2. Surveying the Human Capital Landscape

- Key Definitions and Forms of Capital
- The Value of Human Capital Management to Investors
- The Value Proposition for Higher-Quality Human Capital Disclosure
- The Push for Decision-Useful Data
- The New S-K Reporting Rules: A Missed Opportunity
- COVID-19 and Racial Justice: Reporting Limitations in Focus

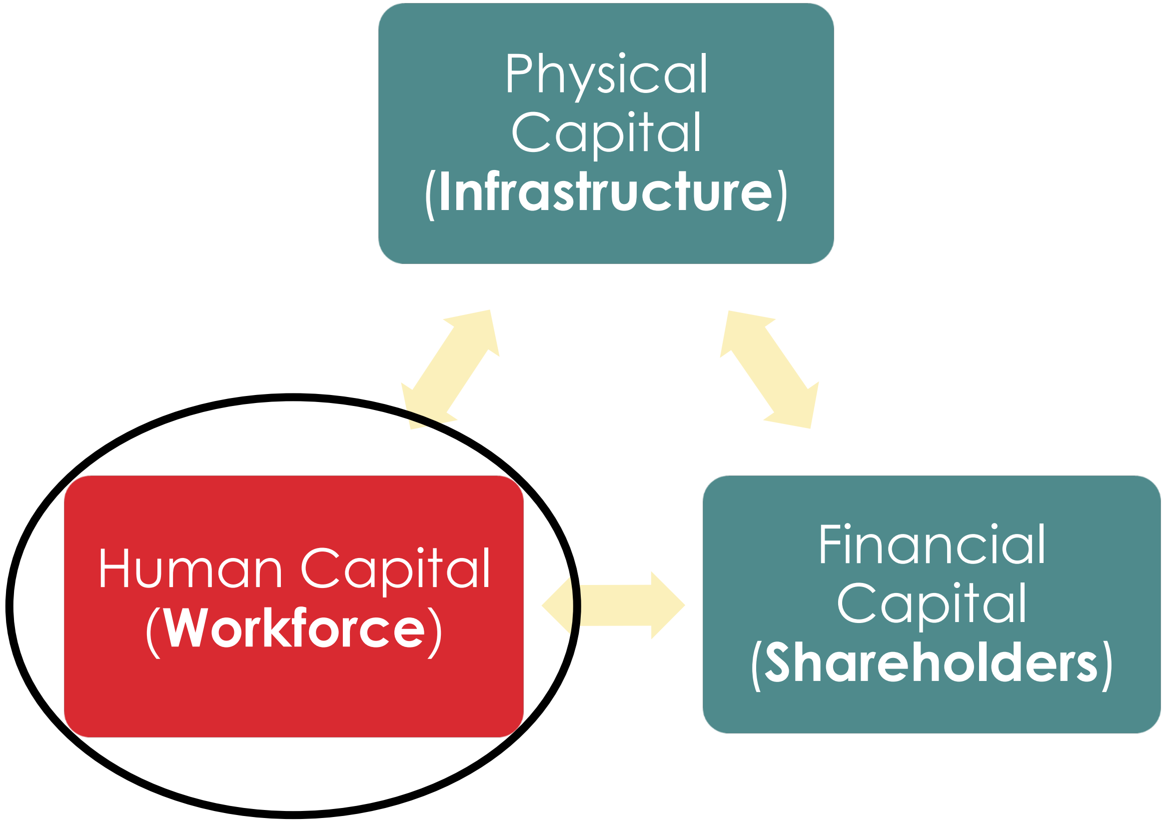
Key Definitions

Human Capital encompasses the knowledge, motivation, skills and experience of a company's entire labor force.

Human Capital Management includes a broad range of corporate practices related to the management of employees, including (but not limited to):

- Hiring and retention
- Employee engagement
- Training, compensation
- Fair labor practices
- Health and safety
- Responsible contracting
- Ethics
- Desired company culture
- Diversity

Forms of Capital



Human Capital is a fundamental **<u>asset</u>**.

Valuing Human Capital

- 80%+ of S&P 500 value attributed to intangibles, the majority of which include and/or are derived from human capital → major market shift from property, plant & equipment several decades ago
- Growing body of research supports conclusion that companies with effective human capital management perform better than those that manage their human capital poorly
  - Investments in human capital associated with higher risk-adjusted returns, return on assets, return on capital, profitability & Tobin's Q, and overall outperformance vs. benchmarks
  - Investments in training & development, employee engagement, diversity & inclusion, and workforce composition & staffing associated with increased workforce productivity, Tobin's Q, gross rate of return on capital, higher profit margins, reduced turnover, higher customer satisfaction, higher revenue, and better firm performance overall
- Investing in firms based on the efficacy of their human capital investments and the opportunity to invest in human capital (extracted from total personnel expense) leads to annual abnormal returns of between 4.0% and 9.3%

Valuing Better Human Capital Disclosure

- Stronger HC reporting associated with return on invested talent that is nearly 3 times higher than the ROIT of companies that rely more heavily rely on narrative disclosure
  - Stronger human capital reporting = more quant-focused, significantly less narrative
  - Return on Invested Talent (ROIT) = £1 return per £1 invested in talent
  - Data based on review of FTSE 100 firm disclosures (UK has more stringent HC reporting guidelines)
- Firms with stronger human capital reporting outperform those firms with weaker disclosures in operating margin, obtain economic returns from their people 3X higher than those who disclose less information, and carry less debt
- S&P 500 firms disclosing total human capital costs are disproportionately represented among the highest performing firms, measured by risk-adjusted returns or means excess returns
- Firms with greater levels of human capital reporting disclosure in quantum form use three times fewer words in their supporting narratives than other firms
- Current events underline urgent need for more comprehensive treatment of human capital information
  - Investor demand for critical insight into COVID-19 financial & operational risk exposures
  - Inclusive companies better positioned to address racial justice while continuing to capture well-established financial and operational gains from diverse workforce

Recent HCMC Efforts to Obtain Decision-Useful Data

- July 2017 – HCMC filed rulemaking petition to SEC seeking stronger, decision-useful human capital disclosure from issuers (36 Comments received on petition)
- 2018-2019 – Engaged large public representing over US$7 trillion companies to better understand human capital oversight, risk management, data collection and use, and disclosures
- March 2019 – SEC Investor Advisory Committee recommends that SEC start process to improve human capital reporting in March 2019, citing HCMC petition as key to recommendation (HCMC Comment/ Hesketh Comment)
- August 2019 – SEC proposes rule amendments to modernize key financial reporting requirements under Regulation S-K. Included in the proposed amendments are changes to existing disclosure of human capital-related information. (HCMC Comment/80+ Comments)
- August 2020 – SEC cited HCMC petition in adopting final rule re: Reg S-K disclosures -- this is the first time human capital recognized as source of value vs. only a cost
  - Rules require companies to report on human capital resources to the extent material but do not clarify specific metrics beyond number of employees; it did retain number of employees data point

Other HC Disclosure Improvement Efforts

- Multiple recent efforts to improve human capital disclosure launched:
  - ISO released first-time internal/external reporting guidelines on human capital in December 2018
  - Embankment Project for Inclusive Capitalism (EPIC) – large asset owners, asset managers, and global public companies representing US$30 trillion produced report highlighting human capital as one of four key factors for long-term value creation and preservation in new economy
  - Global Reporting Initiative (GRI) – Adopted employment reporting standard (2016)
  - Sustainability Accounting Standards Board (SASB) – Currently developing reporting metrics for sector/industry-specific human capital information
  - Workforce Disclosure Initiative (WDI) – 2019 annual human capital reporting survey shows increased willingness by large global public companies to report on workforce
- Blackrock, State Street, and other asset managers are actively including human capital management as a topic in their engagement strategy
- CFA Institute supported HCMC's Fundamental Four disclosure metrics in their response to Reg S-K proposed rule

Human Capital Reporting Beyond the U.S.

- **Non-U.S. human capital reporting tends to be more robust – many countries have regulatory mandates around human capital-related information**
  - EU: International Financial Reporting Standards already includes an accounting treatment for total workforce costs, including salaries, pensions, and other benefits (IAS 19-Employee Benefits)
  - UK: Employers with 250+ employees must publish and report data about gender pay gap
  - France: Code Grenelle II requires reporting of employment data, including total workforce broken out by gender, age and religion, absenteeism, and various data related to health and safety conditions at work
  - Belgium: most private and public sector organizations are required to provide workforce data to the National Bank of Belgium via a 'Social Balance Sheet' together with their annual accounts
  - Denmark: mandatory reporting through an "Intellectual Capital" statement (similar in concept to a financial statement)
- **HCMC chose to turn its initial focus to U.S., where companies are more reluctant to report decision-useful human capital information largely because it is not required**
  - HCMC will continue regulatory and private ordering engagement efforts in U.S., and may engage on non-U.S. human capital reporting when our involvement is warranted and additive
- **HCMC's Balanced Approach and Fundamental Four metrics are universal and compatible across countries of operation and global markets**
  - For example, diversity reporting may be modified based on the most appropriate dimensions for the country of operation and may be reported by gender, race, ethnicity, nationality, etc.
- **Global reporting efforts (e.g., EU/EC, IFRS) are increasingly forcing the issue**

In Focus: COVID-19 Disclosure Limitations

- COVID-19 pandemic underscores the importance human capital management as a core topic in investor evaluation of enterprise risk management and business continuity
  - SEC has released statements and COVID-19 reporting guidance to issuers (see, e.g., here, here, here, and here) which focuses on key human capital factors related to operational needs and financial condition, business strategy, and pandemic response
- Investors missing basic yet critical information needed to put COVID-19-related disclosures in context

In Focus: COVID-19 Disclosure Limitations Examples

- Amazon's March/April and September announcements that it would fill 175,000 and 100,000 new positions, respectively, to meet COVID-19 demand w/o **turnover** or absenteeism data to help determine whether it was replacing or expanding its workforce
- Announcement from Walgreens that it would lay off 4,000 workers just four months after announcing it would hire 9,500 workers w/o **total workforce headcount** (FT, PT, *and* contingent), **total workforce cost**, and **turnover** – would have allowed investors to appropriately evaluate layoff news, which led to a 9 percent decline in stock value
- CVS Health's March 2020 announcement that it would expand employee benefits, including bonuses, extended sick leave and childcare benefits, in order to attract and retain workers, but discloses neither the total expenditures for the initiative nor **total workforce costs** -- making it difficult for investors to gauge whether these hiring and retention initiatives are meaningful and effective.
- McDonald's announced "New U.S. Covid-19 Safety Precautions" on July 24, 2020, to "[protect] the health and well-being of our and our franchisees' employees and customers." Four days later, McDonald's reported a $20.4 million decline in operating margins for its 303 U.S. company-owned restaurants in Q2 2020, reflecting "incremental COVID-19 expenses incurred for employee related costs, personal protective equipment, signage and other restaurant costs." It did not report similar data on COVID-19-related expenses for its 12,953 franchised stores and restaurants. Without information on **total workforce costs**, investors could not evaluate the impact of COVID-19 employee protection protocols in context in terms of the company's response and current and expected financial impact.

In Focus: Racial Inequity Response Limitations

- Over 200 S&P 500 companies, including 67 S&P 100 companies, released at least one statement condemning racial inequity and injustice in the several months following George Floyd (See, e.g., here, here, here & here)
- S&P Global Ratings stated that racial inequity "is becoming a material issue that has the potential to change our ESG Evaluations and credit perspectives…"
  - Perception of corporate inaction could create reputational risk and negatively impact firm performance (See, e.g., here & here)
- Changing expectations require concrete action, but few companies report data important to investors to understand a company's progress D&I risks companies face and progress toward D&I goals and commitments
  - U.S. companies remain reticent to publicly report racial/ethnic data despite annual EEO-1 reporting requirements
    - Only 6 percent of companies in Russell 1000 publicly release EEO-1 data (via the form itself or detailed comparable disclosures)
    - Only one company (Intel) has published demographic data as part of its EEO-1 Survey *and* disclosed wage data by gender and race/ethnicity
  - SSgA and NYC Comptroller's Office are urging U.S. public companies to disclose EEO-1 data
    - SSgA also asking for disclosure of risks, goals and strategies related to racial/ethnic diversity and data comparable to EEO-1 disclosures from non-U.S. companies

3. A New Reporting Paradigm: Balancing Fundamental Metrics and Tailored Principles

- What is the Balanced Approach?
- Challenges from Fragmented Reporting

What is the Balanced Approach?

Combines **Fundamental Four Metrics** with tailored **Principles-Based Metrics**

Fundamental Four Metrics

- Four modest, mandatory and universally-applicable metrics: (1) the **number of employees**, including full time, part-time and contingent labor; (2) **total workforce cost**; (3) **turnover**; and (4) **employee diversity and inclusion**, especially by seniority.
- Most appropriate for **quantitative** information and where **consistency**, **comparability**, and **benchmarking** are especially important.
- Anchors Principles-Based metrics to common, baseline information

Principles-Based Metrics

- Most appropriate for **qualitative** or **narrative** information
- Metrics may "look different" based on the industry or even individual companies within a sector/industry depending on business strategy, acknowledging that human capital metrics to measure and monitor progress may require some degree of specialization
- Key categories of data include: health and safety data; training and development programs; employee engagement; human and labor rights; compensation and benefits

Both universal, mandatory metrics and principles-based metrics are needed to provide investors with a complete picture of human capital management quality at individual companies. The Balanced Approach would allow investors to fully evaluate human capital management skill and identify risks and opportunities

Need for Foundational Reporting

- (Aug 2020 Final Rule/Webcast) Acknowledges the potential for human capital to be a source of value vs. only a cost; retains requirement that companies report on the number of people they employ, but only requires companies to report on "human capital resources" to the extent they are deemed "material"
- Human capital is material across all companies and thus should be reported by all companies – companies should not be able to determine human capital immaterial and avoid reporting decision-useful information
  - Companies were already required to report "material" information before change but report very little on human capital
- Gives public companies too much latitude to determine the content and specificity of the human capital-related information they report – and whether to report workforce information altogether
  - Information reported from companies would still lack the consistency, clarity, comparability, reliability, and concision which would allow investors to efficiently and effectively evaluate workforce management skill
  - Companies can tell their "unique story," but only with a foundation of consistent metrics universally disclosure
- **Investors need fundamental, baseline metrics reported by each company to anchor industry- and company-specific information to seize opportunities and mitigate risks, which is still not provided in a systematic and decision-useful way**
  - In early analyses (see, e.g., here and here), companies are not providing sufficient context in 10-Ks for investors to be able to evaluate the role of human capital in their strategies for resiliency and growth
  - COVID-19 pandemic and most recent spotlight on racial justice illustrates importance of context to give investors necessary insight into how human capital management affects the company's risk exposures

Example: Fragmented Reporting on Key HC Data

Feb 11, 2021 – Equilar Tracking of Human Capital Management Disclosures - Disclosure Search

Company	10-K filed	Workforce composition	Workforce costs	Turnover/ Retention	Diversity
Alexandria Real Estate	2/1/2021	Total # but no details except Sr. Mgmt.	No -Narrative Covid-19 & Training	Yes % Voluntary & total turnover over 5 years	% Gender, minorities, age, mgr. role –no classification
Biogen	2/3/2021	Total # US/Outside	No	No	% of ethnic racial director & above, global %
Kansas City Southern	1/29/2021	Total # US/Mexico Union/Non-union	Yes compensation & benefits $476.5 KPI productivity measurement	No	No
Lockheed Martin	1/28/2021	Total #, details on # of engineers & US & union #	No	No	% Gender, executives, People of color, Veterans & People with Disabilities

Comparative Reporting: Turnover

Below is the type of information that may fulfill a rules-based disclosure requirement versus what may be permissible under an exclusively principles-based requirement, using turnover:

<table>
<tr><th>Quantitative Turnover Reporting Example
(COMPANY A CSR Report)</th><th>Principles-Based Turnover Reporting Example (COMPANY B 2019 10-K)</th></tr>
<tr><td>


Our undesired voluntary turnover increased from 4.1% in 2017 to 4.8% in 2018. Over the past five years, our undesired voluntary turnover rate has been below 5%, and our rate is also lower than our industry benchmark. These figures include all regular employees who voluntarily left but do not include contract employees, interns, or employees who separated from due to divestiture, retirement, voluntary separation packages, death, job elimination, or redeployment.
</td><td>"A large number of [employees] turn over each year, although [COMPANY B]'s turnover has improved in both fiscal 2019 and 2018 as a result of our focus on increasing wages and providing improved tools, technology and training to [employees]."</td></tr>
</table>

4. Laying the Foundation: The Fundamental Four

- Key Criteria for Mandatory Human Capital Reporting
- Balanced Approach: The Fundamental Four
- Fundamental Metric #1: Number of Employees (Enhanced)
- Fundamental Metric #2: Total Workforce Cost
- Fundamental Metric #3: Turnover
- Fundamental Metric #4: Workforce Diversity

Key Criteria for Mandatory Human Capital Reporting

1. **RELIABLE**, **CONSISTENT**, **CLEAR** and **COMPARABLE** – Quantitative disclosure that allows for robust consistency, clarity, verifiability and comparability for efficient collection, analysis and benchmarking

2. **UNIVERSAL** – Universally applicable across all companies

3. **TIMELESS** – Any company that employs people can collect and report data

4. **POINT-IN-TIME** – Collectible as of a point in time, similar to traditional financial metrics, allowing for greater efficiency in collection and reporting

5. **COST-EFFECTIVE TO COLLECT** – Companies already collect data requested
   - Basic workforce data like payroll & benefits costs tracked using in-house or external service-based HR tools
   - U.S. companies already collect diversity data for mandatory EEO-1 reporting

6. **PROXY FOR MANAGEMENT QUALITY** – Taken together, these metrics help investors evaluate the issuer's human capital management skill *and* identify human capital risks and opportunities

Balanced Approach: Four Fundamental Metrics

Requires four **fundamental universally-applicable** disclosures to **anchor** open-ended human capital-related information companies provide under Item 101(c)(1)(xiii) and establish a through-line with financial statements

The HCMC supports the following four fundamental disclosures:

1. **how many workers** (including employees and independent contractors) the company uses to accomplish its strategy;
2. **total cost of the work force**, presented in a way that evinces a discernable through-line from the company's audited financial reports to issuer disclosures;
3. **turnover**, including management's actions to attract and retain workers and how changes in the ability to attract and retain workers affects the company's performance and strategy; and
4. **diversity data**, including diversity by seniority, sufficient to understand the company's efforts to access and develop new sources of human capital and any strengths or weaknesses in its ability to do so.

Fundamental Metric #1: Headcount (Enhanced)

The number of people employed by the issuer, broken down by fulltime and part-time employees along with contingent workers (independent contractors, temporary employees, etc.)

- Information on full-time, part-time and contingent workers allows investors to contextualize disclosures about workforce changes
  - The movement of large # of employees from full-time to part-time could indicate a downward shift operations
  - Not distinguishing between FT and PT employees can be misleading re: size and scale of operations
  - Independent contractor use provides insight into management's assessment of the stability of current operations
- Studies have found that:
  - Use of contingent workers associated with demoralization and higher turnover of non-contingent workers
  - Contingent workers have more negative attitudes, less attachment to the organization and higher rates of industrial accidents
  - The effects of using direct vs indirect contingent workers can differ, so data on type of arrangement is useful to investors
  - "Abnormal reductions in the number of employees" are useful in predicting financial misstatements while overall reductions in the number of employees may be an indicator of declining demand for a firm's product.

Fundamental Metric #2: Total Workforce Cost

The total cost of the issuer's workforce, including wages, benefits and other transfer payments, and other employee expenses

- Provides line of sight into efficiency of each dollar invested in human capital through various productivity measures (ROI, return on invested talent, etc.)
- Higher productivity can boost financial performance
- In academic studies, HCM policies and practices known as "high-performance workplace practices" (HPWPs) have been found to improve productivity.
  - Some HPWPs, like incentive pay structure, hiring selectivity, and information sharing, are difficult to quantify and can be hard to describe concisely.
  - Productivity can thus be a window into the effectiveness of HCM
- IFRS already requires companies domiciled in the EU to disclose total workforce costs including salaries, bonuses, and other benefits (IAS 19 – employee benefits)
- Data likely already embedded in SG&A and/or COGS

Fundamental Metric #3: Turnover

Turnover or comparable workforce stability metric

- A study of employee retention at 2,000 publicly-traded companies over a 10-year period found companies with better employee retention saw cumulative stock returns that were 25 percent higher, or 2.8 percent annualized, than those with the lowest retention (MSIM/HBS Research)
  - At companies in the top quintile for employee retention, a year-over-year improvement in employee retention implied positive alpha for the company's stock in the subsequent year 58.5 percent of the time
  - Conversely, for the bottom quintile, a year-over-year deterioration in a company's employee retention implied negative alpha for the company's stock in the subsequent year 77 percent of the time
- Turnover can be costly for companies, not only in direct replacement costs but also in loss of knowledge and social capital, lower productivity
  - Increased turnover is associated with lower ROE, profitability, and sales growth
  - Turnover-related costs represent more than 12 percent of pre-tax income at companies with an average turnover rate vs. peers. Companies in the 75th percentile for turnover rate, these costs equal nearly 40 percent of their earnings.
  - On average, it costs roughly 30-50% of annual salary to replace an entry-level worker, 150% of annual salary to replace mid-level employees, and up to 400% of annual salary to replace specialized high-level workers
- In academic studies, HPWPs have been found to improve turnover/retention.
  - Some HPWPs are sufficiently complex that disclosure would be voluminous and difficult to compare among companies
  - Turnover can therefore shed light on the quality of HCM
- Turnover that is out of sync with that of peer companies can be a red flag
  - Ex: Wells Fargo's retail banking turnover was higher than other banks, which was later found to reflect the company's toxic sales culture that led to widespread fraud
- EPIC reported that analysts want turnover data precisely because it is numeric

Fundamental Metric #4: Workforce Diversity

Workforce diversity data, concentrating on gender and ethnic/racial diversity across different employment bands/employee levels

- Empirical research shows the value of diversity, *especially* diversity among senior leadership and management
  - Companies with more than 20% women in management (not only executive management) enjoyed higher rates of innovation, as measured by revenue from new products/services.
  - Companies in top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer companies in the fourth quartile
  - Companies in the top quartile for ethnic diversity on executive teams outperformed those in the bottom quartile by 36% percent based on profitability
- Note that benefits of workforce diversity not country-specific
  - Companies in top quartile for ethnic and cultural diversity on executive teams 36 percent more likely to outperformance on EBIT margin— up from 33 percent in 2017 and 35 percent in 2014 (data based on companies in US, UK, Brazil, Mexico & Singapore)
- Exec pay increasingly tied to meeting diversity goals – this info would help investors understand the link between pay and performance on these metrics
- Former SEC Chairman Jay Clayton recently acknowledged that D&I are "value-enhancing" and that he "expects" public companies who deem D&I as material to the business and a performance driver to include this in disclosures
- Data on diversity at all levels allows investors to evaluate a firm's talent pipeline and effectiveness of D&I efforts

5. Tailoring Principles-Based Disclosures to Ensure Utility

- Balanced Approach: Tailored Principles
- Examples of Higher-Quality Human Capital Reporting

Balanced Approach: Tailored Principles

- Principles-based disclosures include information that may be more appropriate based on a company's industry/sector and/or business strategy
  - For example, companies in the mining industry may face different health and safety issues than a hospital, potentially impacting the metrics companies in each industry measure and monitor
  - A tech firm that abandons hardware manufacturing for cloud computing services would need to retool its recruitment, succession planning, and talent development processes
- The best disclosures will help investors better understand a firm's human capital management strategy, how this strategy supports the overall business strategy, and how the company ensures that it is performing against its own benchmarks and objectives.
- Principles-based disclosures should include metrics related to the following (non-exclusive list):
  - **Workforce Health & Safety**
  - **Workforce Skills & Capabilities**
  - **Workforce Culture, Engagement, and Empowerment**
  - **Human and Labor Rights**
  - **Workforce Pay & Incentives**

Better Human Capital Reporting Examples (Selection)

- Allianz People Fact Book (2019) / Sustainability Report (2019)
  - Reports all Fundamental Four metrics and metrics in all five HCMC principles-based categories
- Intel 10-K (FYE 2019) / Corporate Responsibility Report (2019-2020) / D&I Annual Report (2019) / EEO-1 Data (2017-2018)
  - Reports number of employees (with regional breakdown), undesired voluntary turnover rate, and gender-based diversity data in 10-K – rare among U.S. companies
  - Reports metrics in all five HCMC principles-based categories
  - Reports breakdown of diversity by gender and race/ethnicity in D&I report
  - Publicly reports EEO-1 pay data (larger U.S. companies are required to collect and report EEO-1 data to U.S. Equal Employment Opportunity Commission, but are not required to disclose data publicly)
- General Motors Sustainability Report (2019)
  - Reports on number of employees, broken out by FT, PT and contingent labor; turnover; and diversity by gender and race/ethnicity

6. APPENDIX

Select HCMC Activities & Milestones: 2013-Present

Jul 2013
First HCMC Meeting*

Oct 2013
HCMC Retail Engagement

Mar 2016
HCMC Hosts Summit (MI)

Jul 2017
HCMC Files U.S. SEC Petition
All Comments

Oct 2017
HCMC Meets w/ SEC Chair

Mar 2019
IAC HCM Recommendation to SEC

HCMC IAC Comment
A. Hesketh Comment

Aug 2019
SEC S-K Rulemaking Release

HCMC Comment
All Comments

Apr 2020
SEC COVID-19 Reporting Guidance

Apr 2020
HCMC COVID-19 AGM Letters Launch

May 4, 2020
IAC Meeting re: Public Co Disclosures & Virtual Meetings

Aug 2020
SEC Final Reg S-K Rule Release

PHASE I
Oct 2013 – Dec 2015
Building Knowledge/Retail Engagement

PHASE II
Jul 2017 - Present
Regulatory Engagement/HCMC Petition

PHASE III
Jan 2018 - Present
Company Outreach

2017 SEC Rulemaking Petition Categories Reconciliation

Petition Category	Fundamental Metrics	Principles-Based Metrics Examples
Workforce Demographics	Number of Employees (FT, PT, Contingent)	
Workforce Productivity	Cost of Workforce	
Workforce Stability	Turnover	
Workforce Composition	Workforce Diversity	
Workforce Health & Safety		Work-related injuries; Lost day rate
Workforce Skills & Capabilities		Training & development
Workforce Culture & Empowerment		Employee engagement; % covered by bargaining agreements
Human Rights		Human rights principles and policies; supplier due diligence
Workforce Pay & Incentives		Incentive pay tied to health & safety goals