



October 21, 2021

The Honorable Gary Gensler, Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: State Treasurer Support for Increased Transparency (File Number 4-711 Human Capital Petition)

Dear Chairman Gensler,

We are fiduciaries of public funds and state constitutional officers dedicated to increasing the well-being of all our citizens. We specifically write to support your work to modernize and strengthen the disclosure of a company's workforce data and its climate change risks and opportunities.

Transparency is necessary for the long-term success of any company. Sound decision-making and cross-company stakeholder (e.g., board directors, management, employees, and investors) accountability depends on robust transparency. Consistent, comparable, and reliable information also results in better allocation of capital across the market and lowers the cost of capital for companies.

Regarding workforce data, we support the baseline recommendations made by the Human Capital Management Coalition.

Therefore, we are hopeful that the Securities and Exchange Commission will require disclosure of:

1. The number of people employed by the issuer (directly and through private companies that the issuer controls), broken down by full-time and part-time employees along with contingent workers who produce its products or provide its services (independent contractors, supplied through subcontracting relationships, temporary employees, etc.).
2. The total cost of the company's employees, including wages, benefits, and other expenses, which should include a reasonable snapshot of pay equity across the workforce.
3. Turnover or a similar workforce stability metric.
4. Workforce diversity data, focused on gender and ethnic/racial diversity across different levels of seniority.
5. Retirement security data, including the percentage of a company's workforce eligible for payroll-based retirement savings as these benefits are critical in reducing workforce turnover and increasing employee productivity.

We also recommend that publicly listed companies that control privately-held companies should provide the same information about all of their employees. We see no policy rationale to reduce investor and public transparency for these types of subsidiaries.

Similarly, we support the baseline recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which has been endorsed by hundreds of companies and investors globally.

Specifically, this means that climate change disclosure rules from the SEC should, at minimum, include the following elements:

1. Emissions disclosure, including Scope 1, 2, and 3 greenhouse gas and their related risks.
2. Climate change risk management and resiliency planning, including the board and management's oversight of climate-related risks and opportunities.
3. Industry-specific metrics: SEC rulemaking should include industry-specific metrics because material climate risks manifest in different ways by industry. These metrics should build on existing standards in common use by investors and companies.

Thank you again for your leadership and prioritization of these critical issues. Long-term investment and policy decisions are undermined without access to meaningful, standardized workforce and climate risk data. We sincerely appreciate the Commission's consideration of our views, and we look forward to working with you.

For further information or discussion on the importance of human capital and climate change to state Treasuries, please contact Dave Wallack at dave.wallack@forthelongterm.org or any of us directly.

Signed,



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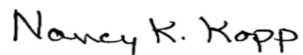
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Beth Pearce
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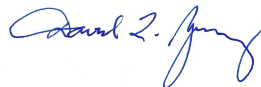
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