June 16, 2020

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

Re: Comprehensive disclosure requirements to allow investors and the public to analyze companies during the COVID-19 pandemic.

Dear Chairman Clayton,

Investors and the general public are struggling to understand how the COVID-19 pandemic is impacting the economy and the financial markets. At the same time, the federal government is distributing trillions of dollars in financial support to mitigate the economic impact of the pandemic. We urge the Securities and Exchange Commission to institute new disclosure requirements to allow investors and the public to analyze how companies are acting to protect workers, prevent the spread of the virus, and responsibly use any federal aid they receive.

Companies who sell their stock to the public must register with the SEC and fulfill periodic disclosure obligations, as defined by the Commission. These disclosures are available to investors and the general public and help contribute to the public understanding of a company's financial performance and the risks and opportunities that might go along with investing in that company.

In April, you and Director of the Division of Corporate Finance William Hinman provided much-needed guidance by recommending that companies "provide as much information as is practicable" about how they are responding to the pandemic. This was a step in the right direction but more needs to be done to ensure that investors and the public have access to consistent, comprehensive information.

Investors are becoming increasingly aware that businesses that take appropriate action to protect workers and supply chains are ensuring their ability to continue operations at an appropriate capacity through the crisis. Businesses that institute responsible worker safety and health practices are also helping to limit the damage to their suppliers and customers.

Businesses that fail to adequately protect workers risk putting their customers in danger as well. In consumer-facing businesses, for example, if workers are not provided appropriate personal protective equipment or paid sick leave there is risk that they might infect customers as well as be put in danger themselves. Failure to adequately protect workers can also undermine the functioning of supply chains and lead to declines in productivity or, worse, the need to temporarily shut down operations.

Take, for example, the meat-packing industry. Major meat companies have shut down slaughterhouses and processing plants in North America as workers became infected. Workers are understandably reluctant to report back to workplaces with very crowded working conditions.

This has caused major disruptions in the meat supply chain; as a consequence, hog farmers around the country are expected to lose around $5 billion this year.

The impact of the losses on shareholders will be significant. Investors, however, are being forced to rely on news reports to try to understand how the crisis is impacting companies in their portfolios and how those companies are responding. The SEC must act to require companies to provide consistent, reliable data to investors about the economic impact of the pandemic on their business, human capital management practices, and supply chain risks. These disclosures should include:

- Workplace COVID-19 Prevention and Control Plan – Companies should disclose a written infectious disease prevention and control plan including information such as the company's practices regarding hazard identification and assessment, employee training, and provision of personal protective equipment.

- Identification, Contact Tracing, and Isolation – Companies should disclose their policies for identifying employees who are infected or symptomatic, contact tracing and notification for potentially exposed employees and customers, and leave policies for infected employees who are isolating.

- Compliance with Quarantine Orders and phased reopening orders – Companies should disclose how they are complying with federal, state, and local government quarantine orders and public health recommendations to limit operations.

- Financial Implications – Companies should disclose the impact of the COVID-19 pandemic on their cash flows and balance sheet as well as steps taken to preserve liquidity such as accessing credit facilities, government assistance, or the suspension of dividends and stock buybacks.

- Executive Compensation – Companies should promptly disclose the rationale for any material modifications of senior executive compensation due to the COVID-19 pandemic, including changes to performance targets or issuance of new equity compensation awards.

- Employee Leave – Companies should disclose whether or not they provide paid sick leave to encourage sick workers to stay home, paid leave for quarantined workers, paid leave at any temporarily closed facilities, and family leave options to provide for childcare or sick family members.

- Health Insurance – Companies should disclose the health insurance coverage ratio of their workforce and whether the company has a policy to provide employer-paid health insurance for any employees who are laid off during the COVID-19 pandemic.

- Contingent Workers – Companies should disclose if part-time employees, temporary workers, independent contractors, and subcontracted workers receive all the protections and benefits provided to full-time company employees, including those outlined above.

- Supply Chains – Companies should disclose whether they are current on payments to their supply chain vendors. Timely and prompt payments to suppliers will help retain suppliers' workforces and ensure that a stable supply chain is in place for business operations going forward.

- Workers' Rights – Companies should disclose their policies for protecting employees who raise concerns about workplace health and safety from retaliation, including whistleblower protections and contractual provisions protecting workers' rights to raise concerns about workplace conditions.

- Political activity - Companies should disclose all election spending and lobbying activity, especially money spent through third parties like trade associations and social welfare 501(c)4 organizations.

Prior to the onset of COVID-19, it was often argued that human rights, worker protection and supply chain matters were moral issues not relevant to a company's financial performance. As millions of workers are laid off and supply chains unravel, the pandemic has proven that view wrong. Businesses that protect workers and consumers will be better positioned to continue operations and respond to consumer demand throughout the pandemic. The disclosures outlined above will provide investors with important information to help them understand how COVID-19 is impacting the companies they are invested in. In addition, by requiring these disclosures, the Commission has the opportunity to encourage companies to review their current practices and consider whether updates are necessary in light of recent events. The process of preparing these disclosures may help some public companies to recognize that their current practices are not sufficiently robust to protect their workers, consumers, supply chains and, as a result, their investors' capital given the impact of the pandemic.

For these reasons, we urge the SEC to require all public companies to disclose comprehensive information about how they are responding to the pandemic and how it is impacting their businesses, as outlined above. If you have any questions, please contact Heather Slavkin Corzo (heather@ourfinancialsecurity.org).

Sincerely,

Adrian Dominican Sisters, Portfolio Advisory Board

AFL-CIO

American Federation of State, County and Municipal Employees (AFSCME)

Americans for Financial Reform Education Fund

As You Sow

Better Markets

Boston Common Asset Management

Boston Trust Walden

Campaign for Accountability

Center for American Progress

Ceres

Christian Brothers Investment Services

Citizens for Responsibility and Ethics in Washington

Clean Yield Asset Management

Colorado State Treasurer Dave Young

Communications Workers of America

Community Capital Management, Inc.

Congregation of Sisters of St. Agnes

Congregation of St. Joseph

Connecticut State Treasurer Shawn T. Wooden

CorpGov.net

CtW Investment Group

Dana Investment Advisors

Daughters of Charity, Province of St. Louise

Demand Progress Education Fund

Democratic Treasurers Association

Domini Impact Investments LLC

Dominican Sisters ~ Grand Rapids (MI)

Earth Equity Advisors

Everence and the Praxis Mutual Funds

First Affirmative Financial Network

Floodlight

Friends Fiduciary Corporation

Global Witness

Green Century Capital Management

Harrington Investments, Inc.

IBEW

Illinois State Treasurer Michael W. Frerichs

Impact Investors, LLC

Institute for Agriculture and Trade Policy

Institute for Policy Studies, Global Economy Project

Interfaith Center on Corporate Responsibility

International Association of Machinists and Aerospace Workers

International Association of Sheet Metal, Air, Rail and Transportation Workers

International Brotherhood of Teamsters

International Corporate Accountability Roundtable (ICAR)

Investor Advocates for Social Justice

Iowa State Treasurer Michael Fitzgerald

Legal & General Investment Management America

Local Authority Pension Fund Forum

Maryknoll Sisters

Mercy Investment Services, Inc.

Miller/Howard Investments, Inc.

Missionary Oblates/OIP Trust

Nathan Cummings Foundation

Natural Investments

New Progressive Alliance

Newground Social Investment

North America's Building Trades Unions

North Berkeley Wealth Management

NorthStar Asset Management, Inc.

Northwest Coalition for Responsible Investment

Oregon State Treasurer Tobias Read

Oxfam America

Pax World Funds

Promethos Capital

Public Citizen

Revolving Door Project

Reynders, McVeigh Capital Management LLC

Rhode Island General Treasurer Seth Magaziner

Robert F. Kennedy Human Rights

Service Employees International Union

Seventh Generation Interfaith Coalition for Responsible Investment

SHARE

Sisters of Saint Joseph of Chestnut Hill, Philadelphia, Pennsylvania

Sisters of St. Francis of Philadelphia

Sisters of the Presentation of the BVM, Aberdeen SD

Skye Advisors LLC

The Sustainability Group of Loring, Wolcott & Coolidge

Trillium Asset Management

U.S. PIRG

Unitarian Universalist Association

UNITE HERE

United Steelworkers (USW)

US SIF: The Forum for Sustainable and Responsible Investment

Veris Wealth Partners

Vermont Pension Investment Committee

Vermont State Treasurer's Office

Vert Asset Management

Women's Institute for Freedom of the Press

Zevin Asset Management

Individual Specialists

Stephen F. Diamond, Santa Clara University School of Law

Erik F. Gerding, Professor, University of Colorado Law School

Jennifer Taub, Professor, Vermont Law School

Ciara Torres-Spelliscy, Stetson University College of Law

Urska Velikonja, Professor of Law, Georgetown University Law Center

Cynthia A. Williams, Osler Chair in Business Law, Osgoode Hall Law School

David Wood, Initiative for Responsible Investment, Harvard Kennedy School cc:

Allison Herren Lee, Commissioner, U.S. Securities and Exchange Commission
Hester M. Peirce, Commissioner, U.S. Securities and Exchange Commission
Elad L. Roisman, Commissioner, U.S. Securities and Exchange Commission