SEC amends human capital disclosure requirements

On August 26, the SEC amended its disclosure requirements relating to the description of the business, legal proceedings, and risk factors, which are required in many SEC filings, including Form 10-K and registration statements. The changes become effective 30 days after they are published in the Federal Register.

Among the changes is a new requirement to describe the company’s human capital resources, including any human capital measures or objectives that the company focuses on in managing its business (e.g., those that address the development, attraction, and retention of personnel). The SEC adopted the amendments in a 3-2 vote that followed party lines.

Five factors to sharpen your deals strategy

M&A activity is regaining momentum after a period of uncertainty due to the onset of the COVID-19 pandemic. This should prompt companies to take a close look at their portfolios and deals strategies to assess which areas may need to adapt. For a rundown of matters that should be top of mind, read this post on NACD’s BoardTalk blog by Paula Loop, head of PwC’s Governance Insights Center, and Colin Wittmer, the firm’s US Deals leader.

Investors seek diversity disclosure

Many investors believe that in order to understand the forces shaping their business, companies need to take action on diversity and inclusion (D&I) issues. They are looking to companies to promote D&I principles within their operations.

As reported here, New York City Comptroller Scott Stringer and three pension plans he oversees sent letters to the CEOs of 67 S&P 100 companies urging them to publicly disclose race, ethnicity, and gender data by job category.

In another example, beginning in 2021, State Street Global Advisors (SSGA) will ask companies in its investment portfolio to make specific disclosure available to shareholders related to their racial and ethnic diversity, including their: (1) strategy; (2) goals; (3) metrics; (4) board composition; and (5) board oversight related to D&I. SSGA outlined the request in an August 27 letter addressed to board chairs.
Cybersecurity: Board actions to emerge stronger from the pandemic

Webcast: September 22, 2020
Sean Joyce, PwC’s Global and US Cybersecurity, Privacy & Forensics Leader and former Deputy FBI Director, Joe Nocera, Leader of PwC’s Cyber & Privacy Innovation Institute, and Barbara Berlin, Managing Director, Governance Insights Center discuss tangible actions that boards should take now and as they look ahead to the post-pandemic environment to address the current business and threat environment. Register here.

Upcoming events

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