

20 July, 2016

Via electronic submission: rule-comments@sec.gov

Secretary
Securities and Exchange Commission
100 F Street NE,
Washington, DC 20549-1090

Concept Release – Business and Financial Disclosure Required By Regulation S-K

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Dear Sir or Madam:

State Street Global Advisors¹ (“SSGA”) appreciates the opportunity to comment on the Concept Release on Business and Financial Disclosure Required by Regulation S-K (“Concept Release”) issued by the Securities and Exchange Commission (“SEC”) seeking comments on Regulation S-K provisions applicable to U.S. reporting companies. SSGA is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors. With over \$2.3 trillion (USD) of assets under management (“AUM”) across a range of asset classes and investment styles, SSGA is one of the largest investment managers in the US market. In addition, with \$168 billion (USD) of AUM invested in strategies that consider environmental, social and governance (“ESG”) factors in the investment decision-making process and 20 years of experience, SSGA is one of the leading institutional providers of ESG solutions in the marketplace today.

SSGA is a very large-scale passive index provider and consequently, we are a long-term investor providing stable or quasi-permanent capital to listed companies. ESG factors, which are typically considered to be low probability factors, have shown to have a high negative impact on shareholder returns in the event of a risk being realized². Moreover, we believe that issuers that adopt robust and progressive governance and sustainability practices should be better positioned to generate long-term value and manage risk. Consequently, for long-term shareholders such as SSGA, ESG factors are important to our investment decision making process. However, in the absence of relevant, quantifiable and comparable data on key ESG performance indicators (KPIs), we are limited in our ability to consider these factors on a systematic basis in our initial investment decision-making process and on a going forward basis.

We do consider these factors as part of our investment process through our robust asset stewardship program that evaluates and engages with companies on ESG-related matters to inform our proxy voting activities. However, even in these instances, we find that not all listed companies identify and provide usable information on relevant KPIs. With respect to companies that do disclose KPIs, there is generally limited transparency on assumptions and mechanisms behind the numbers, making peer comparison a challenging exercise.

In 2013, based on our desire for more ESG-related data, SSGA sponsored, coordinated and led a collaborative project with other market participants to develop a framework of salient, industry-specific ESG factors that was completed earlier this year. This exercise was an investor-led effort to identify KPIs of importance from an investment perspective, the findings of which are available for discussion. In addition, SSGA has

¹ State Street Global Advisors is part of State Street Corporation whose identification number in the European Transparency Registry is 2428270908-83.

² Chipotle earnings tank after E.coli scare, CNN Money, Feb 2, 2016
<http://money.cnn.com/2016/02/02/investing/chipotle-earnings-e-coli/>

been supportive of several global initiatives including those undertaken by the Principles of Responsible Investing (PRI), Investor Network on Climate Risk (INCR) and the Sustainability Accounting Standards Board (SASB), which are complementary to our investor-led project.

Given our need as investors for information on companies' ESG practices, we request that the SEC consider requiring listed companies to enhance their ESG-related disclosures. We encourage the SEC to consider developing rules that would help companies:

- Identify appropriate KPIs by industry and sub-sectors
- Establish a common standard to measure the KPI
- Introduce standardized reporting of KPIs on an annual basis

We hope you find our feedback useful. Please contact Rakhi Kumar, Managing Director and Head Corporate Governance via email at Rakhi_Kumar@ssga.com or Christopher McKnett, Managing Director and Head of ESG Investments, via email at Christopher_McKnett@ssga.com if you would like to discuss any of our responses in further detail.

Respectfully yours,



Rakhi Kumar
Head Corporate Governance



Christopher McKnett
Head of ESG Investments