

June 14, 2021

The Honorable Gary Gensler, Chair
The Honorable Hester M. Peirce, Commissioner
The Honorable Elad L. Roisman, Commissioner
The Honorable Allison Harren Lee, Commissioner
The Honorable Caroline A. Crenshaw, Commissioner
Ms. Vanessa Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C., 20549

Re: Comments on Climate Change Disclosures

Dear Chairman Gensler, Commissioners, Secretary, and agency staff:

Thank you for the opportunity to respond to the Securities and Exchange Commission's request for public comment on climate change disclosures announced on March 15, 2021. We commend the Commission's efforts to address this urgent issue and appreciate the opportunity to provide specific recommendations for the Commission to consider in its evaluation of disclosure rules and potential new requirements.

Henry Schein, Inc. (Nasdaq: HSIC) is a solutions company for health care professionals powered by a network of people and technology. With more than 20,000 Team Schein Members worldwide, including 8,900 teammates in the United States, the Company's network of trusted advisors provides more than 1 million customers globally with more than 300 valued solutions that help improve operational success and clinical outcomes. Our business, clinical, technology, and supply chain solutions help office-based dental and medical practitioners work more efficiently so they can provide quality care more effectively. These solutions also support dental and medical laboratories, government and institutional health care clinics, as well as other alternate care sites.

Uniform reporting standards and clear guidance provide critical information to a company's investors as well as to management and the board. Yet, at this moment the world-wide reporting landscape for ESG metrics is complex and fragmented. We encourage efforts toward finding consensus around ESG reporting disclosures, such as by joining the World Economic Forum's 'Measuring Stakeholder Capitalism' initiative, and also diversity and inclusion efforts such as Paradigm for Parity. We believe diversity is important, but inclusion is even more important by listening to our team and fostering a culture of inclusion. In addition, we stand committed to ESG reporting and recently announced that by 2022 our corporate social responsibility (CSR) report will be in accordance with the Global Reporting Initiative (core option) and Sustainability Accounting Standards Board (SASB) Standards.

In addition, we will be disclosing more information on our climate risks and opportunities based on recommendations made by The Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) and are exploring a pathway to setting a Science-Based Target.

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As leaders in the health care industry, we believe in a sustainable approach to business with the goal of ensuring that our Company and our stakeholders are prepared to face future global health and environmental risks. We welcome specific ESG reporting disclosure requirements, and wish to share several suggestions that we believe would be important to include in climate change disclosure rules issued by the Commission, including:

- Support the use of global international sustainability reporting standards that are industry-specific and avoid a “one size fits all” approach;
- Disclosure requirements should focus on the most material environmental risks associated with an industry as a whole, and based on empirical evidence;
- Promote fulsome disclosure with a legal safe harbor;
- Permit most new disclosures outside of required Commission periodic and other reports;
- Sensitivity around timing challenges for reporting on new ESG disclosures to avoid submission deadlines in the same time periods in which periodic reports (such as the annual report on Form 10-K and proxy materials) must be filed or disseminated, and to provide flexibility for a company to align with the issuance of its Sustainability/CSR Reports; and
- Recognition that this will be an evolving process, inclusive of on-going input from issuers.

Support the use of global international sustainability reporting standards that are industry-specific.

Sustainability issues are global issues, and we encourage coordination with and support of the ongoing global process under the International Financial Reporting Standards (IFRS) Foundation to arrive at global ESG reporting standards. We support the IFRS Foundation’s efforts to promote a baseline of global reporting standards, recognizing the need for regional specificity and flexibility. In our view, U.S. climate-related financial disclosures should, to the fullest extent possible, be based on global sustainability reporting standards to avoid fragmentation.

To facilitate Commission support of the IFRS Foundation and its creation of an international sustainability standards board (ISSB), we recommend the Commission establish the necessary institutional infrastructure to oversee, evaluate and adopt international standards similar to that in place with respect to the IFRS international accounting standards.

Disclosure requirements should focus on the most material environmental risks.

We further encourage the Commission’s climate change disclosure requirements to adopt an industry-specific approach towards reporting. Material climate risks manifest in various ways depending on each industry. Industry-specific metrics would, in our view, promote more reliable, useful and comparable disclosures for investors.

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Promote fulsome disclosure with a legal safe harbor and permit most new disclosures outside of required Commission periodic and other reports.

We submit that the Commission can best promote fulsome climate-related disclosure by providing a safe harbor from private rights of action and Commission enforcement actions, including for disclosure that is based on third-party data. We also recommend that the climate-related disclosure be “furnished” to the Commission as opposed to “filed”— similar to conflict minerals disclosure given the data for both are often provided by third parties. Finally, new disclosures that are not directly related to existing disclosure requirements should, in our view, be a separate filing focused on ESG matters, similarly to the approach taken for conflicts minerals, where disclosure is included as part of Form SD filings.

We suggest sensitivity around timing challenges for reporting on new ESG disclosures to avoid submission deadlines in the same time periods in which periodic reports (such as the annual report on Form 10-K and proxy materials) must be filed or disseminated, and to provide flexibility for a company to align with the issuance of its Sustainability/CSR Reports.

We support efforts to promote these baseline standards while allowing for flexibility and sensitivity to avoid having to report new ESG disclosures within the same time periods as current requirements to file or disseminate existing reports and other materials mandated under the federal securities laws, and to provide flexibility for a company to align with the issuance of its Sustainability/CSR Reports. This approach will, we believe, result in more thoughtful, fulsome disclosure.

Finally, we suggest the Commission expressly recognize that this will be an evolving process, inclusive of on-going input from Issuers.

ESG requirements established by the Commission should be updated regularly and be a part of the larger conversation surrounding climate impacts and the corresponding responses to climate risks. These developments are rapidly evolving and should be inclusive of continuing input from Issuers across the full range of ESG issues through which investors analyze financial performance and the creation of enterprise value.

Henry Schein supports the Commission’s initiatives to ensure the availability of consistent, comparable, and reliable information on financially material risks for investors. We applaud the Commission’s interest in the pressing matters of sustainability reporting standards and requirements, and urge the Commission to acknowledge the risks climate change poses in its disclosure rulemaking process.

We appreciate the opportunity to provide feedback and thank you for your consideration.

Respectfully submitted,

