



185 Berry Street, Suite 300  
San Francisco, CA 94107  
*phone* 415.438.5500  
*fax* 415.438.5724  
dignityhealth.org

July 20, 2016

Mary Jo White, Chairman  
Kara M. Stein, Commissioner  
Michael S. Piwowar, Commissioner  
Brent J. Fields, Secretary

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

Via email to: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Re: File No. S7-06-16 – Business and Financial Disclosure Required by Regulation S-K

Dear Chairman, Commissioners, and Secretary:

Dignity Health welcomes the opportunity to respond to the SEC's Concept Release on *Business and Financial Disclosure Required by Regulation S-K*. We wish to express our support for the SEC's evaluation of disclosure under Regulation S-K and the establishment of enforceable SEC requirements for companies to report on sustainability issues.

Dignity Health is a not-for-profit health care system headquartered in San Francisco, CA. As a faith-based organization, we seek social and environmental as well as financial returns from our investments of approximately \$10 billion.

We focus on key areas of Environmental, Social, and Governance (ESG) concern. We integrate these concerns into investment decision-making processes and engage portfolio companies to promote more sustainable and just practices. We believe this work has a positive impact on companies' long term profitability and shareowner value as it helps companies to improve financial performance and sustain shareholder and long-term value while securing a better future for their employees, their customers, their investors, and other stakeholders.

Dignity Health endorses disclosure of sustainability information that is material and comparable, and that affects our financial interests as shareholders, as well as our communities. We believe in the importance of disclosure of relevant and significant information that may not be deemed "material" in the short-term, but has a clear and direct impact on financial performance, and when taken together with other information, may have the potential to damage or strengthen a company's reputation, impact its social license to operate, or affect its sales and business relationships. This information would be relevant to an investor's assessment of the company and may at a future date be clearly within the definition of "material" information. There are several examples where this has manifested with respect to our engagement with companies, including: Dignity Health's concerns over abusive and risky practices in the financial services industry leading up to the 2008 financial crisis and subsequent economic recession; early concerns raised in the 1990s around climate change impacts; and urging companies to recognize the need to address public health threats, from global health risks of antibiotics in meat

supply chains. In short, increased disclosure related to sustainability issues is critical to create transparency for investors regarding a company's interactions with, and impact on, employees, communities, and customers. Frameworks and processes associated with disclosing ESG information may help a company – and society – to mitigate future risks.

Dignity Health uses ESG disclosure to evaluate companies for investment, thus informing our investment strategies and stock selection decisions, and to inform our proxy voting. We also use existing disclosure to help us identify appropriate companies for shareholder engagement with corporate management, where we address current practices and policies that expose companies to risks. We believe that mandatory disclosure of ESG information under Regulation S-K is necessary for investors to make informed decisions. While voluntary measures have served an important role in providing increased ESG information to investors, this information is inconsistent across corporate sectors, and leaves investors with an unclear basis upon which to build our investment strategies.

Mandatory disclosure would provide more consistent, reliable, comparable, and verifiable ESG information that would allow educated investors to make more informed investment decisions across the portfolio and advance effective engagement strategies.

We urge the SEC to establish sustainability reporting requirements as part of companies' annual filing requirements.

Sincerely,

A handwritten signature in black ink that reads "Susan Vickers, RSM". The signature is written in a cursive, flowing style.

Susan Vickers, RSM  
Vice President Corporate Responsibility