



# Rockefeller Brothers Fund

Philanthropy for an Interdependent World

July 14, 2016

Mr. Brent Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609

**Reference:      Concept Release on Business and Financial Disclosure  
                      Required by Regulation S-K File No. S7-06-16**

Dear Secretary Fields:

The purpose of this letter is to provide comments in response to the Securities and Exchange Commission's (SEC) Release No. 33-10064; 34-77599; File No. S7-06-16, titled, "Business and Financial Disclosure Required by Regulation S-K" and to encourage the SEC to mainstream the integration of material sustainability information related to environmental, social, and governance (ESG) factors in mandated SEC disclosures by issuers.

The [Rockefeller Brothers Fund](#) is a private, family foundation helping to advance social change that contributes to a more just, sustainable, and peaceful world. It was created in 1940 by the sons of John D. Rockefeller, Jr. as a vehicle by which they could coordinate their philanthropic efforts. As of May 31, 2016, the Fund's endowment approximates \$815 million. Grant programs are organized around three themes: [Democratic Practice](#); [Peacebuilding](#); and [Sustainable Development](#). The Fund is active globally, nationally, and locally, and works across its programs in two pivotal places: [Southern China](#) and the [Western Balkans](#). The [Charles E. Culpeper Arts & Culture program](#), nurtures the arts community in New York, the Fund's home city. Approximately half of the Fund's current grantmaking relates to climate change.

The Fund has embarked on an effort to achieve greater alignment of its investments with its philanthropic mission while maintaining the overall goal of preserving the purchasing power of the endowment over time. This has evolved into a dual-pronged approach to investing, which ensures all investment allocations across the endowment reflect mission-aligned investing objectives:

- At the highest level, we have increased the degree of alignment between our portfolio and the Fund's mission. The clearest way for the RBF to do this was to commit to divest from investments in fossil fuels.
- At the same time, where practical, we seek to advance the Fund's mission and program initiatives through impact investing.

The alignment of our mission and investment practices includes investing in strategies that are in harmony with the Fund's mission or grantmaking programs and integrate ESG criteria into investment processes. This is accomplished through an affirmative screening and selection process, whereby the Fund seeks investments that proactively follow broad ESG considerations. Like other institutional investors, our investments have a long-term focus. The Fund's financial returns are driven by the long-term performance of innovative, well-managed corporations in dynamic business sectors. Mission-aligned and long-term investments are mismatched with the current state of disclosure that is focused almost

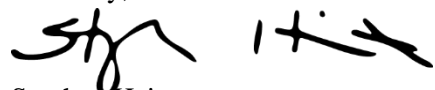
entirely on short-term financial results with little regard for the ability of corporations to thrive alongside the environment and societies in which they operate. The information that is “material” to investors—much like the world around it—is rapidly changing. Increasingly, management of ESG risks and opportunities influences corporate success and is therefore material to investors.<sup>1</sup> These factors affect the financial condition or operating performance of companies, as well as decisions on whether to buy, sell, or hold a security. Regulation S-K already requires the disclosure of material information. What the markets have lacked, until now, are accounting standards that guide companies in disclosing material sustainability information in a format that’s decision-useful to investors. The abilities of corporations to do so are increasingly influenced by sustainability-related factors that vary from industry to industry. The provisional standards of the Sustainability Accounting Standards Board (SASB) provide clear disclosure requirements of material sustainability-related factors, specific by industry, which can be readily incorporated into existing SEC corporate filings.

With respect to the SEC’s Concept Release inquiry on disclosure of sustainability-related information in SEC filings, we suggest that the SEC reference use of a market standard such as SASB standards as a way for companies to comply with disclosure requirements under U.S. securities laws. Key points are as follows:

- More than ever, sustainability-related issues present challenges to the long-term prospects of corporations; we are among a growing body of “reasonable investors” seeking better transparency on corporate performance on these issues;
- Most existing sustainability disclosure in the Form 10-K is boilerplate, which is not useful; we need a market standard for the disclosure of sustainability-related material information.
- SASB standards should be referenced as the market standard for the disclosure of sustainability-related information in Commission filings. The industry-specific nature of information disclosed through SASB standards is particularly helpful as we aim to align our investments with our mission and a long-term investment horizon.

Thank you for the opportunity to comment on this release.

Sincerely,

Handwritten signature of Stephen Heintz in black ink, consisting of a stylized 'S' and 'H' followed by a horizontal line.

Stephen Heintz  
President

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<sup>1</sup> Seventy-five percent of institutional investors responding to a 2015 CFA Institute survey of 1,322 institutional investors, take ESG issues into account in their investment analysis and decisions.