

June 17, 2022

Ms. Vanessa Countryman  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

**Re: The Enhancement and Standardization of Climate-Related Disclosures for Investors**  
**Attention: 87 FR 21334; Docket ID: SEC-2022-06342; File No. S7-10-22**

Dear Ms. Countryman:

The 94 undersigned organizations appreciate the opportunity to comment on the above referenced Proposed Rule (the “Proposal”) to require mandatory, standardized climate-related disclosures. We support this Proposal as an imperative first step in providing investors the consistent, comparable, and decision-useful information they need to assess public companies’ climate-related financial risks. The Securities and Exchange Commission (the “SEC”) should move quickly to strengthen this framework and finalize, implement, and enforce detailed disclosure requirements for public companies.

Today, investors must account for the financial impacts arising from the physical and transition risks inherent to the ongoing climate crisis and the drive to decarbonize the global economy. Increasingly, the climate crisis and the clean-energy transition are two of the most significant, if not the most significant, factors in the performance of individual firms, markets, and the economy as a whole. To this end, investors need companies to disclose their climate-related financial risks and strategies for managing them, their greenhouse gas (GHG) emissions, their plans to remain viable or thrive in a low-carbon future economy, and their financial resilience across these dimensions.

To date, voluntary disclosure of climate risk has not met this need.<sup>1</sup> The SEC has the clear and specific authority and the responsibility to remedy this market failure to protect investors, ensure fair, orderly, and efficient markets, and facilitate capital formation. As proposed, the SEC should require mandatory, standardized climate disclosure within SEC filings so this information is reliable, comparable, free, and easy to find.

***Climate risk management, strategy, governance, and targets***

We support the Proposal’s inclusion of narrative and quantitative disclosure around companies’ climate risk management, strategies, and governance in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As proposed, all companies should be required to disclose their process for identifying climate risks, their identified risks, and current and projected

---

<sup>1</sup> Reuters, “Almost all climate-related corporate disclosures are inadequate, CDP says,” 2 Mar 2022. <https://www.reuters.com/business/sustainable-business/almost-all-climate-related-corporate-disclosures-are-inadequate-cdp-says-2022-03-03/>; New Climate Institute and Carbon Market Watch, “Corporate Climate Responsibility Monitor 2022,” Feb 2022. <https://newclimate.org/sites/default/files/2022/02/CorporateClimateResponsibilityMonitor2022.pdf>

changes to their business model, products or services, value chain, financial planning, capital allocation, and initiatives in response to these risks, as well as details about their net zero commitments, progress to date, and their use of carbon offsets.

### ***Climate impacts on corporations' audited financial statements***

We support requiring disclosure of climate-related impacts in the audited financial statements. As proposed, detailed disclosures about the costs and benefits of climate impacts and transition activities should be included as a note to the company's audited financial statements on a line-by-line basis. The total climate-related expenditures, both expensed and capitalized, should also be included, as proposed.

### ***Scopes 1 and 2 GHG Emissions***

GHG emissions are the bedrock of climate risk reporting because they are a prime and comparable indicator of transition risk. We support the Proposal's inclusion of Scope 1 and 2 GHG emissions reporting, in absolute and intensity terms, not netting out purportedly avoided or reduced emissions, and with third-party assurance.

### ***Scope 3 GHG Emissions***

The SEC should require disclosure of Scope 3 GHG emissions (emissions from a company's value chain) for all large companies, with reasonable assurance required to ensure reliability. The SEC should not allow companies to self-determine if their Scope 3 emissions are "material," and it should remove the safe harbor from liability for fraudulent Scope 3 disclosures.

### ***Community Impacts and Environmental Justice***

The rapid growth in environmental, social, and governance (ESG) investing demonstrates that investors already see the connection between a company's financial performance and climate and social risks, including environmental justice, Indigenous rights, and community-level impacts. Investors need to understand how companies assess, manage, and mitigate impacts on communities that stem from regular business operations, climate mitigation efforts, and transition activities. These include impacts caused by land use change and deforestation, infringement of land rights, natural resource extraction, disruption to local economies, air and water pollution, harm to public health and safety, and worker dislocation. Companies engaged in harmful activities that exacerbate climate change and environmental injustices are increasingly exposed to operational, reputational, and liability risks that carry a heavy financial burden.

We thank the SEC for issuing this Proposal to address climate-related financial risk to investors and the market through mandatory climate disclosures, and we urge you to strengthen and finalize the rule quickly and enforce it rigorously. The SEC has not only the authority but the responsibility to mandate these disclosures so that all investors and market participants have comparable, freely available information on some of the most significant risks to individual firms, portfolios, and markets—risks related to the climate crisis and the clean-energy transition.

Sincerely,

Americans for Financial Reform Education Fund  
Ocean Conservancy

Public Citizen  
Sierra Club  
The Sunrise Project

1000 Grandmothers for Future Generations  
350 Butte County  
350 Colorado  
350 Conejo / San Fernando Valley  
350 New Orleans  
350 Seattle  
350 Silicon Valley  
350.org  
350Hawaii  
Accelerate Neighborhood Climate Action  
Accountability Counsel  
Action Center on Race and the Economy  
Amazon Watch  
American Federation of Teachers  
Atmos Financial, PBC  
BankFWD  
Businesses for a Livable Climate  
Call to Action Colorado  
CatholicNetwork US  
Center for Biological Diversity  
Center for International Environmental Law  
Citizen's Alliance for a Sustainable Englewood  
Climate Action Rhode Island-350  
Climate Finance Fund  
Climate First!, Inc.  
Climate Reality Montgomery County  
CO Businesses for a Livable Climate  
Community for Sustainable Energy  
Connecticut Citizen Action Group  
Croatan Institute  
Dayenu: A Jewish Call to Climate Action  
Earth Action, Inc.  
Earth Guardians  
Earthjustice  
Earthworks  
Elders Climate Action Maryland  
Endangered Species Coalition  
FreshWater Accountability Project  
Friends of the Earth U.S.  
Greater New Orleans Housing Alliance

Green America  
GreenFaith  
Greenpeace USA  
Honor the Earth  
I-70 Citizens Advisory Group  
Indivisible Ambassadors  
Interfaith Power & Light  
Larimer Alliance for Health, Safety and Environment  
League of Conservation Voters  
Long Beach Alliance for Clean Energy  
Mayfair Park Neighborhood Association Board  
Mental Health & Inclusion Ministries  
Montbello Neighborhood Improvement Association  
North Range Concerned Citizens  
Oil Change International  
People's Action  
Positive Money US  
Private Equity Stakeholder Project  
Publish What You Pay - US  
Rainforest Action Network  
RapidShift Network  
Revolving Door Project  
Rise St. James  
Saphron Initiative  
Save EPA (former employees)  
Service Employees International Union  
Small Business Alliance  
SoCal 350 Climate Action  
Southwest Organization for Sustainability  
Spirit of the Sun, Inc.  
Stand.earth  
Sunrise Movement  
System Change Not Climate Change  
Texas Campaign for the Environment  
The Green House Connection Center  
The Greenlining Institute  
The Revolving Door Project  
Transformative Wealth Management, LLC  
U.S. Impact Investing Alliance  
Union of Concerned Scientists  
Unite North Metro Denver  
Voices for Progress  
Wall of Women  
Wallace Global Fund

Waterway Advocates  
Western Slope Businesses for a Livable Climate  
Wilwerding Consulting, also Co-Chair, Littleton Business Alliance  
Womxn from the Mountain  
Working for Racial Equity

*Individuals:*

Adam Jones, Designer, 350.org Silicon Valley  
Doreen Stabinsky, Professor, College of the Atlantic  
Kim du Buclet & Eira Corral Sepúlveda, Commissioners, Metropolitan Water Reclamation District of Greater Chicago

cc: The Honorable Gary Gensler, Chair  
The Honorable Allison Herren Lee, Commissioner  
The Honorable Hester M. Peirce, Commissioner  
The Honorable Caroline A. Crenshaw, Commissioner