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 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.\(^1\) 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

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