

Hello,

My name is Hyde Weissenfluh, a graduating senior in the Leeds school of business at University of Colorado Boulder. This new SEC ruling is very exciting for me. As I enter the workforce soon, I am hoping to find a job within the sustainability industry, helping businesses achieve their ESG goals. With this new ruling, I am excited to see the beginning of the integration of ESG reporting within required financial reporting. This ruling will open many jobs within public companies for reporting help.

Overall I am very for everything proposed in the new ruling. With the climate crisis increasing and the deadline of our action rapidly approaching, we are seeing environmental issues becoming more and more material to companies. With this ruling being based on the TCFD framework, I think it is a good entry into making ESG reporting publicly required.

I personally believe the most important thing that needs to and can come with mandatory ESG reporting is comparability between companies. By setting a standard, investors will have an easier time comparing the ESG strategies and reporting of firms.

One worry I have with the ruling has to do with companies disclosing their scope 3 emissions. It currently states they have to disclose these emissions if they are material or they already have a goal that includes scope 3 emission. With these emissions being hard to calculate, and eventually audited, I worry that this ruling will dissuade public companies without scope 3 goals to hold off on creating one to be more safe. If it is only required when incorporated into climate goals, there's no incentive to then make said goals.

I think the safe harbor is a great way to initially incentivize companies to start reporting their scope three. Beyond even the beginning of this ruling, wherever a company first posts its scope 3 emissions; the firm should be given at least a 5 year safe harbor. I think understanding sustainability is something many companies will struggle with at first, and making sure to help and incentivize more than require and punish is key to getting everyone on board.

Another question I have is with the ruling of carbon offsets, with offsets there is a danger of additionality. Offsets can claim to be removing GHGs from the air, but in actuality are just moving where these emissions come from. What requirements should be put in place to make sure that the offsets businesses are reporting on are doing what they claim?

As well as additionality, there are avoidance offsets and removal offsets. I believe these offsets need to have different standards, as well as different weights within regulations. Carbon offsets are very unregulated, but this ruling gives a unique opportunity to start imposing quality standards for offsets for companies.

Thank you for taking the time to read my concerns and opinions about the new ruling. Overall it is a great step for ESG reporting, and with continued regulation I am excited to see where it goes.

Thank you,

Hyde Weissenfluh