

CAXTON

29th April 2022

Dear Sirs

Subject: Standardization of Climate-Related Disclosures

Caxton is a global investment firm whose primary business is to manage client and proprietary capital through global macro hedge fund strategies. Assets are managed via a broad mandate to trade in a variety of global markets and instruments.

We are contacting you to express our support for draft bill No S7-10-22: *“The Enhancement and Standardization of Climate-Related Disclosures for Investors”*.

Caxton considers climate change to be one of the most pressing systemic risks to financial markets. The transition to a global low-carbon economy is expected to be one of the defining themes for societal development in the years and decades ahead. Achieving the necessary decarbonization targets will require the complete structural rewiring of the global economy as we know it.

In line with the SEC’s proposal, we also believe that access to consistent and comparable climate-related data is fundamentally important for (i) investor protection and (ii) informed capital allocation. As such, we see the SEC’s proposal as being of net benefit to market participants, which is why we believe it should be supported and passed into legislation.

We believe that the SEC, with its global influence, and other associated institutions can play a leading role in enabling financial markets to appropriately account for climate-related risks across all sectors, industries, and business models. If passed, the resulting legislation should provide a positive signal to other regulators across the world, and could lead to the further development of a robust and tangible reporting framework to measure financially material, climate-related risks.

As a responsible investor and signatory of the UN-supported Principles for Responsible Investment, Caxton supports the SEC’s efforts to increase transparency across financial markets, particularly in the sphere of ESG disclosure. Appropriate environmental disclosure is fundamental to enabling corporations and investors alike to adequately address environmental risks. Ultimately, Caxton believes disclosure of financially material climate data is likely to be in the best interests of most corporations as it helps to reduce investor uncertainty, thereby having a positive impact on the pricing of associated risks and expected rates of returns.

We appreciate the SEC’s efforts to contribute to the transition to a low-carbon global economy and, for our part, Caxton remains determined to continue with the integration of environmental risks into our investment decision making processes.

Yours sincerely,



Andrew E. Law
Chairman and CEO



Marc Hassler
Analyst

