Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

April 29, 2022

Dear Ms. Countryman,

File No. S7-10-22 on The Enhancement and Standardization of Climate-Related Disclosures for Investors

I am writing in support of S7-10-22 on behalf of the BankFWD network of individuals, families, foundations, and investors who are committed to sustainable climate finance. Our goal is to protect our financial assets as well as our global ecosystem by encouraging major US banks to phase out fossil fuel lending, financing, and underwriting. We welcome the mandatory climate disclosure rule as essential progress towards private sector transparency and responsibility.

We particularly encourage the final form of this rule to require publicly traded companies to disclose all sources of greenhouse gas emissions including from their direct operations (scope 1), their indirect purchased energy (scope 2), and from across their value chains (scope 3), including their financed emissions related to investments, as currently proposed. We also support an understanding of scope 3 emissions, supported by section 15 of the Greenhouse Gas Protocol, that extends to accounting for the emissions impact of publicly traded companies' large cash holdings on bank balance sheets as that cash is used through the financial system to finance fossil fuel projects and perpetuate climate risk. A methodological approach for calculating this emissions' impact is established in a forthcoming report that will be released in May.

The financial risks posed by climate change to investors, other market participants, and the economy are real, growing, cumulative and well documented by numerous government studies including the 2018 National Climate Assessment and last year's Financial Stability Oversight Council's report on Climate-Related Financial Risk that informed this rulemaking. Climate change threatens the value of investments across the board. From big money managers to anyone with a 401k or pension plan, investors deserve the full facts so they can make informed investing decisions. There are numerous examples of recent harm to investors that have occurred as a result of climate risk not being adequately disclosed and instead being allowed to build up in the financial system, including huge losses to investors from the bankruptcy of California utility PG&E after its equipment sparked wildfires during a drought made worse by climate change. Non-disclosure was also a root cause of the losses incurred by investors in Volkswagen and Toyota during each respective emissions scandal.

Index providers, credit rating agencies, banks and others will also benefit from strong disclosure rules as climate information also impacts their business decisions. For example, clear, timely and comparable climate information is critical for a bank assessing the credit worthiness of a company.

The SEC has long required disclosures to support investors, including disclosures about who runs a company, how much they get paid, and how much the company makes. Standardizing material risks from climate change is another step in providing investors and other market participants with clear, consistent, and comprehensive information so they can make informed investment decisions and can adequately price climate risk. This move by the SEC to require disclosure of financial climate risk is long overdue. The US Financial Stability Oversight Council has already endorsed climate risk disclosure, by adopting a strong form of this rule the SEC will be following its own 2010 guidance and upholding its mandate to protect investors and ensure the proper functioning of markets and informed capital formation.

If adopted, this rule will reduce costs to investors and other market participants in trying to obtain this information from outside sources. Currently some climate information is being disclosed but it is incomplete, unreliable, widely variable, and expensive to obtain.

Furthermore, other countries are already requiring climate disclosure so by approving this rule the SEC is creating uniformity that sets an equal playing field for all businesses. Many are already disclosing, but lack of consistency means that businesses reporting transparently are incurring greater costs than businesses that are not. This disparity creates a moral hazard that disincentivizes responsible corporate financial behavior and rewards risky and non-transparent behavior that can destabilize the entire financial system.

Thank you for this opportunity to comment on a welcome breakthrough for the financial sector. Other members of the BankFWD network are preparing their own, individual comments to submit before the end of the comment period.