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Via email to rule-comments@sec.gov

June 7, 2022

Vanessa A. Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: The Enhancement and Standardization of Climate-Related Disclosures for Investors (File No. S7-10-22)

Dear Ms. Countryman:

As an investor, I welcome the opportunity to provide this comment letter in response to the Notice of Proposed Rulemaking "The Enhancement and Standardization of Climate-Related Disclosures for Investors" (File No. S7-10-22) ("Proposal").

I support this Proposal as an important step in providing investors with the comparable and reliable information they need to assess public companies' climate-related financial risks. According to the US SIF Foundation's 2020 *Report on US Sustainable and Impact Investing Trends*[6], climate change has emerged as the single largest ESG issue among asset managers that disclose the specific ESG issues they consider. In 2020, asset managers reported that they analyzed climate concerns across $4.2 trillion in assets.

Voluntary climate disclosures have not met the needs of investors[7]. Investors' experience with the results of the SEC's 2010 climate guidance to publicly traded companies is instructive. Despite many firms reporting some data, the 2010 SEC climate disclosure guidance has not satisfied the needs of investors because it essentially allowed firms to self-determine which climate risks are material.

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). In addition, we support the audited reporting of Scopes 1 and 2 greenhouse gas emissions (GHG) and reporting of Scope 3 emissions by the largest companies.

To ensure that the proposal creates a robust reporting framework when finalized, we recommend the following considerations.

- Remove the materiality test for Scope 3 reporting by the largest companies (large-accelerated and accelerated filers.) Relying on companies to make their own determinations of what is a material Scope 3 emission may lead to incomplete or inconsistent reporting.
    - If the materiality provisions are not removed, the SEC must provide clear guidance to companies about their Scope 3 reporting obligations.
- Scope 3 assurance for large-accelerated and accelerated filers should be phased in in the future. Reporting of Scope 3 has already greatly improved in recent years. It is not unreasonable to believe that this will continue to improve over time. The SEC should use the existing assurance framework for assurance of Scopes 1 and 2 by phasing in limited assurance to the more robust reasonable assurance standard.
- Companies must report the methodologies used by third-party firms that provide their disclosure assurance. In addition, the SEC should provide guidance on standards for third-party verifiers who are not accredited with the Public Company Accounting Oversight Board (PCAOB).

- The SEC must maintain the reporting and assurance phase-in timelines in the Proposal. The climate crisis is urgent and further delay in action by companies and investors will have dangerous consequences.
- We recommend that the Commission enhance the proposed rules by explicitly referencing Indigenous Peoples; and to explicitly reference the UN Declaration on the Rights of Indigenous Peoples as has been done in SASB and GRI reporting frameworks.
    - The mining of transition minerals, such as lithium, cobalt, copper and nickel, may be located on Indigenous lands and have long lasting effects on the lives, cultural practices, and livelihoods of Indigenous populations.

The SEC should move quickly to strengthen this framework and finalize, implement and enforce detailed disclosure requirements for public companies.

Thank you for considering these comments.

Sincerely,

Helene Marsh

6 https://www.ussif.org/trends
7 https://www.iosco.org/news/pdf/IOSCONEWS594.pdf