9.17.20

By Electronic Submission

Richard Gensler, Chair
Securities and Exchange Commissions
100 F Street, NE
Washington, DC 20549

RE: Public Comment on Enhancement and Standardization of Climate-Related Disclosures for Investors Proposed Rule (the "Proposed Rule")— Release Nos. 33-11042; 34-94478; File No. S7-10-22

Carpenter Technology Corporation ("Carpenter Technology" or the "Company") is pleased to provide commentary in response to the Securities and Exchange Commission's ("SEC") Proposed Rule on the enhancement and standardization of climate-related disclosures.

Founded in 1889, Carpenter Technology Corporation is a recognized leader in high-performance specialty alloy-based materials and process solutions for critical applications in the aerospace, defense, medical, transportation, energy, industrial, and consumer electronics markets. For example, our materials are used to manufacture rotating parts in a jet engine and hip replacements.

Carpenter Technology operates facilities across the United States, including Pennsylvania, Alabama, Florida, and South Carolina. We manufacture premium specialty alloys, including titanium, nickel, and cobalt, as well as alloys specifically engineered for additive manufacturing (AM) processes and soft magnetics applications.

Carpenter Technology' manufacturing process includes highly specialized metallurgical processing to create specialty alloys that are used by our customers to perform various further downstream production processes to manufacture parts across multiple end-use markets and applications. Often, we are multiple steps away from the OEM that manufactures the final product.

We recognize that climate change poses a significant risk to companies across industries, including Carpenter Technology. In accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework recommendations, we have prioritized the identification and disclosure of climate-related risks, our strategies to address them and actionable greenhouse gas emissions targets.

Carpenter Technology supports the convergence of climate-related disclosure standards; however, given our size, the nature of our business and our position in the supply chain, we are raising three primary concerns with the Proposed Rule as outlined below:

1. Scope 3 emissions and materiality standards are not defined, which will lead to inconsistencies in disclosure practices.

The Proposed Rule does not provide clear methodology to determine Scope 3 emissions, leaving significant ambiguity for businesses such as Carpenter Technology that have a wide range of possible sources to include. Uncertainties and existing gaps in the Scope 3 emission framework create the risk of inaccurate and incomparable disclosures which could have meaningful implications for determining progress and value. We believe the Proposed Rule lacks the prescriptive and exacting standards required to achieve its aim of providing consistent, comparable, and reliable information to investors.

2. Collecting Scope 3 emissions data for reporting purposes creates an undue burden given Carpenter Technology's size and position in the supply chain.

To comply with the Proposed Rule, Carpenter Technology would have to expend significant time and financial resources to gather the necessary data to timely disclose Scope 3 emissions despite unclear investor benefit. Due to our position as a customer and supplier to large number of companies across a wide range of industries, we are reliant on various third parties to provide the necessary information to disclose our own Scope 3 emissions. The process to identify, collect and manage such data would require a significant financial investment, substantially more time than provided under the Proposed Rule, and require us to obtain or access data that is not generated or controlled by the Company or verified by third parties.

In addition, the practicality and value of Scope 3 emissions disclosures to investors is unclear despite the significant burden to collect, understand and report.

3. The lack of standards for calculating the financial impact of climate-related risks create impracticalities and inconsistencies for disclosure.

The Proposed Rule requires disclosure of financial estimates and assumptions that necessitates assigning quantitative financial impacts to subjective climate events and risks. Such assumptions subject disclosures to complex approximations and guesswork that seems inappropriate for audited financial statements and impractical for determining material risk. Disclosing a narrative description of the potential impact of climate related events and risks, in-line with current TCFD reporting, is sufficient to inform investors, and far less costly to our Company. The cost to determine the financial impact of climate events is a substantial burden, for what could be viewed as limited investor benefit.

In closing, to reiterate, Carpenter Technology is in full support of efforts to standardize climate-related disclosure expectations. However, we believe certain aspects of the Proposed Rule outlined above do not adequately consider the impact such disclosures will have on companies with limited resources to allocate to the requirements and disregards the uncertainties and complexities of evolving methodologies.

James D. Dee

James D. Dee
Senior Vice President, General Counsel and Secretary