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Via email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

June 17, 2022

Ms. Vanessa A. Countryman  
Secretary  
United States Securities and Exchange Commission  
100 F Street NE  
Washington, D.C. 20549

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

Dear Secretary Countryman,

Vert Asset Management welcomes the opportunity to respond to File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosure for Investors (March 21, 2022). We commend the SEC for the comprehensive proposed disclosures.

Vert Asset Management is a dedicated ESG (environmental, social, and governance) asset manager. We work in close consultation with academic experts and experienced portfolio managers to create investment products. Vert combines ESG research and a disciplined rules-based process to deliver funds that achieve investors' twin goals of sustainability and market rates of return. Our clients are primarily financial advisors. We currently manage one open-ended mutual fund, the Vert Global Sustainable Real Estate Fund with \$175 million AUM (as of December 31, 2021), that invests in publicly traded real estate investment trusts (REITs) globally.

We engage with all the companies in our fund writing to over 100 REITs globally each year about climate-related disclosures. Buildings have an outsized impact on emissions. The construction and operation of buildings account for 40% of global energy use and 30% of energy-related GHG emissions. We spend 90% of our time indoors. Buildings are the suppliers to all other types of companies and industries. We currently ask companies to what extent do their corporate strategies for managing real estate portfolios include resilience, adaptation, and mitigation in response to regional environmental changes that pose physical risks to operations and regional developments in transition risks.

We rely on the disclosures made by companies to make investment decisions. The recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) have



been helpful for our own organization in conversing with companies about climate risks to their business operations and strategy. We believe that the TCFD framework is a good guide for companies to consider environmental degradation, climate risks and opportunities in their operations and as such is a good guide to form the basis of SEC climate-related disclosures.

We support many aspects of the rule:

- The guiding framework based on the recommendations of the Task Force on Climate-related Financial Disclosures.
- Requiring companies to explain company decarbonization goals and use of internal carbon pricing.
- Disclosing Scopes 1 and 2 emissions.
- Disclosing Scope 3 emissions if materiality is better defined and with safe harbors.
- Disclosing climate-related physical and transition risks, including asset-level sustainability plans on physical assets.

We are hopeful that the SEC will move towards integrating climate risk disclosures into mandatory reporting. Climate risk is an investment risk and investors need this information directly from the companies. Thank you for drafting a Proposed Rule on this important evolving issue. Thank you for taking our investment management perspective into consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Adams', written in a cursive style.

Sarah Adams  
Chief Sustainability Officer  
Vert Asset Management