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Via rule-comments@sec.gov

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

Re: File Number S7-10-22, The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

Thank you for the opportunity to comment on this important Rule. *As You Sow* is an investor representative with over a decade of experience working with investors and issuers on the issue of climate risk. Our goal is to help ensure that companies and capital markets are factoring in and managing this growing risk. Collectively, we have the power to avoid the most catastrophic impacts of climate change and its accompanying systemic risks, but we will succeed only through immediate and thoughtful action and well-informed decision making.

We strongly support the Security and Exchange Commission's (SEC) proposed climate disclosure rule (the "Rule) which we believe will help reduce climate risk and ensure a more fair, orderly, and efficient market. This rule will go a long way in providing investors with the information they need to make prudent capital allocation decisions in the face of growing climate risk.

The harms of climate change and its associated risks are becoming manifest. Impacts are global and costs and instability are spreading across markets. Climate-related financial risk has justifiably become one of the driving concerns of investors, which have been a leading voice in recognizing climate risk and demanding actionable climate related information from the companies in which they invest. Investors have sought a range of climate related information to ensure sound investment making, including a company's Scope 1-3 greenhouse emissions; whether and how a company is acting to reduce its contribution to climate change; whether a company has set greenhouse gas reduction targets and disclosed a climate transition plan; whether a company has measured and is addressing physical, regulatory, market, asset, and transition risk; outcomes of company assessments of risk associated with low and high carbon scenarios, and assumptions used to calculate such risks; whether climate risk has been included in financial reports and independently audited; and whether and how a company is responding to opportunities around a transitioning economy, among others.

As a result of focused investor attention, including extensive company engagements, resolutions, and production of climate-related benchmarks and investor expectation documents, we have seen greater disclosure, analysis, and movement from companies in addressing climate risk. Companies too understand the importance of climate action. But progress is uneven, too slow, and disclosures, where made, are disparate, non-comparable, and lack disclosure of critical assumptions, hampering investor ability to adequately assess risk and respond accordingly. And, while large numbers of companies are taking climate-related action, larger numbers are not addressing or planning sufficiently for climate change.

Thus, we support the SEC's climate disclosure rule. The rule as proposed will help provide investors with consistent, comparable, and comprehensive disclosures and greatly enhance the availability of reliable data and information regarding climate change and its risks. This information will help investors make more informed and better decisions regarding the risks and valuation of the companies making disclosures. As importantly, it will help improve the security of capital markets more broadly as companies assess and respond to climate risk and investors are have more information on which to make sound investment decisions.

More specifically, we support the Rule's recommendations of aligning disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD), including disclosure of the process by which companies identify climate risks, the climate risks identified, and current and planned changes responses to reducing identified risk.

We support the Proposal's requirement for reporting on GHG emissions related targets, including the scope of activities included in the targets, whether targets are absolute, or emissions based, timeline for achievement, baseline emission levels and timeframe of baseline, and how the targets will be met. Although we understand there is concern that such reporting requirement might negatively affect uptake of targets, we believe that the importance of the information to investors outweighs the small likelihood that some companies would be dissuaded. We anticipate that companies truly intent on effectively analyzing climate risk and reducing emissions will move forward with reduction targets. Similarly, we support the requirement that where a company adopts a transition plan, it provide information about that plan including the mechanisms by which the company intends to meet adopted metrics and targets.

GHG Emissions Reporting.

Scope 1 & 2 Emissions Reporting. The requirement that all public companies disclose Scope 1 and 2 greenhouse gas emissions, in the aggregate and by constituent, and in absolute terms and by intensity, is fundamental to investors. Many companies are already reporting Scope 1 and 2 emissions, but standardizing this reporting is critical to ensure the comparability of information and to provide a complete picture of risk. Currently, even where companies provide information on Scope 1 and 2 emissions, that information can be inconsistent and unclear, with some issuers providing certain components of this information and other issuers providing other components. We are particularly supportive of ensuring that reporting of emissions be exclusive of any use of offsets so that investors can assess whether a company is actually addressing its emissions and transitioning, or simply purchasing offsets. We also note that sound Scope 1 & 2 reporting makes Scope 3 reporting more accurate and easier to conduct.

We suggest that in order to assist in quickly ensuring standardized reporting, the SEC mandate that reporting be conducted in line with the GHG Protocol, at least initially. We recognize the limitations of prescribing standards that may change or develop in the future, but due to the time constraints associated with climate change and the need for near term information, companies and investors need a well-developed standard to guide current reporting. Alternatively, we urge the agency to require that companies provide a rationale for how and why they depart from the GHG Protocol.

Scope 3 Emissions Reporting. We fully support the Rule's requirement that large companies report upstream and downstream Scope 3 emissions, including value chain and product related emissions.

Such Scope 3 reporting is critical for effective risk analysis and investment decision making. For example, product emissions, where high, flag that a particular company is likely to have significant climate risk in a transitioning economy. Thus, investors should be apprised of whether and how such a company is addressing this risk. Failing to quantify and report product emissions would give a skewed picture of risk. Similarly, an evaluation of value chain emissions is critical to understanding the full measure of a company's risk, including whether the company's suppliers are themselves evaluating and preparing for climate risk. We have seen firsthand that the act of asking value chain entities for emissions data not only increases knowledge for the entity requesting information but drives suppliers to assess and address their own climate risk and opportunity.

Based on our climate related work with a wide range of companies, we believe that the Rule's timeframe for reporting Scope 3 emissions is reasonable and generally aligned with, or even longer than, the timeframe companies generally need to complete such an analysis.

Given the importance of Scope 3 reporting, we support extending Scope 3 reporting to small reporting companies over a longer timeframe reflective of the potentially more limited resources and climate expertise of smaller companies. In our experience, obtaining Scope 3 data, though not to be taken lightly is neither prohibitively burdensome nor overly costly. Companies already seek a broad range of information from their suppliers, so necessary mechanisms are in place. In many cases, companies we work with have found that their suppliers may already be acting on climate risk or may be part of the Science Based Targets Initiative or have otherwise begun addressing climate-related disclosures and commitments. In other cases, suppliers will need time to develop the requested information, or may need some assistance or guidance in identifying and calculating emissions. We are seeing a range of responses to such requests. Many large issuers provide reporting guidance to their suppliers, in other cases companies can turn to outside information and assistance, which is available across a wide range of sources.

Reporting of All Scope 3 Categories: We underscore and support the importance of companies being required to report on each category of Scope 3 emissions as set forth in the GHG Protocol, including noting where emissions in a category are de minimis. It can be misleading to investors when Scope 3 emissions are reported, but important categories of emissions are missing from such total.

Materiality of Scope 3 Reporting. Finally, the SEC should not allow companies to decide that their Scope 3 emissions are non-material and thus avoid having to assess and disclose these important emissions. The incentives to ignore material climate risk are too great and a level playing field for companies is too important. Moreover, investors, not companies, should be the arbiter of materiality of emissions. Investors require full information to decide what is a material risk to their portfolios and to their constituents, beneficiaries, and fiduciaries.

Climate Risk in Audited Financial Statements: We support the Rule making climate related risk reporting part of audited financial statements. Reported climate information should include climate-related assumptions, risk outcomes, costs of physical risks and transition activities, long-term commodity and carbon price assumptions, and impact on asset lives, existing and future asset retirement obligations, asset valuations (impairments), and capital expenditures, among others.

Safe Harbor: While a safe harbor for Scope 3 reporting may be acceptable in the short term due to the current lack of robust emissions reporting and the need to rely on assumptions in many instances, such safe harbor should have an end date. GHG emissions are the bedrock of climate risk analysis and, as is

AS YOU SOW

the case with a wide variety of regulations and statutes, companies must, at some point in the near future, take responsibility for requiring or developing complete and accurate data. We anticipate that GHG reporting standards will evolve quickly as a result of this Climate Disclosure Rule. It is therefore reasonable for this Rule to require that, after a reasonable period of time, accountability mechanisms for fraudulent reporting be in place.

Offsets: As noted above, it is critical that emissions reporting be exclusive of offsets, and that any proposed use of offsets be reported separately, including any intention to use offsets in meeting company climate targets or transition plans. Where offsets are intended to be used by a company, reporting should include: A full description of, and types of credits purchased, including project description and location; the organization from which offsets and credits are purchased; the name of the institution that will be verified and actual verification information; the number of credits purchased and retired each year; timing; whether carbon credits are intended to substitute for emissions reductions, among others.

We thank you for the opportunity to provide comments on this important rule. As is becoming too clear, the risks of climate are growing rapidly, and investors need full and comparable data to make wise capital allocation decisions. This proposed rule goes a significant way toward ensuring investors have the information they need.

Sincerely,

Danielle Fugere