November 1, 2022

Via electronic submission

Secretary Vanessa Countryman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Supplemental Submission by Carbon Tracker Initiative related to Proposed Climate Risk Disclosure Rule (File Number S7-10-22)

Dear Ms. Countryman:

The Carbon Tracker Initiative, Ltd. and Carbon Tracker Initiative, Inc. (collectively, Carbon Tracker) appreciate the opportunity to provide supplemental information for the Securities and Exchange Commission ("SEC" or "Commission") consideration as part of its proposed rulemaking, *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (the "Proposal").

Carbon Tracker is an independent financial think-tank that carries out in-depth analysis on the impact of the energy transition on both capital markets and investments in high-cost, carbon intensive fossil fuels. For the past decade we have published research on how climate and carbon constraints could materially impact companies in the fossil-fuel intensive sectors of upstream oil and gas, coal mining, and power generation and utilities.

As part of our June 17, 2022 response to the Proposal, we referenced our research of select carbon-intensive companies' FY2020 financial reporting,[1] where we found that internal consistency between regulatory reporting and other information produced by registrants is sometimes lacking. In October 2022 we published a follow-on report: Still flying blind: The absence of climate risk in financial reporting, where we discuss the results of our analysis of the reported climate-related risks, targets, and strategies of 134 carbon exposed companies and our comparison of this with the information disclosed in their FY2021 financial statements.

As well as a lack of transparency about the consideration of climate risks, once again we found internal inconsistencies in registrants' climate-related reporting for the companies analyzed. As in the prior year, companies did not appear to consider the costs of their publicly stated emissions targets, the effects of internal carbon pricing, or the potential impacts of the energy transition when valuing assets or estimating such assets' remaining useful lives.

Corporate financial reporting is one of the foundations to valuations; the assumptions and estimates that are used therein can be impacted by climate change related matters. Without this information, and a connection between the financial statements and "other reporting," investors have little means of determining the adequacy of a company's financial reporting and the extent to which it may be exaggerating its sustainability story. In our June 17, 2022 response we discuss how the Proposal could go further to highlight the consistency issue here, and other areas.

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[1] *Carbon Tracker, Flying Blind: The glaring absence of climate risks in financial reporting, 2021. Available at: https://carbontracker.org/reports/flying-blind-the-glaring-absence-of-climate-risks-in-financial-reporting/.*

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The purpose of this submission is to provide the Commission with a copy of the October 2022 “Still flying blind” report as a supplement to our initial response. This submission does not replace our June 17, 2022 comment letter.

As previously noted, building upon existing disclosure requirements, we believe the Proposal can facilitate substantial improvements in market integrity via climate-related risks.

We remain at your disposal for further discussions on this important matter. Please do not hesitate to contact me directly [redacted] or Barbara Davidson, Head of Accounting, Audit and Disclosure [redacted].

Rob Schuwerk, Executive Director Carbon Tracker North America

Encl.

- “Still flying blind: The absence of climate risk in financial reporting”