

THOMAS P. DiNAPOLI
STATE COMPTROLLER



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

110 STATE STREET
ALBANY, NEW YORK 12236

September 3, 2020

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

Re: Statement of Support for SEC Petition, FILE 4-763: Rulemaking petition requiring companies to report on the physical location of their significant assets, July 9, 2020.

Dear Secretary Countryman:

I am writing as Trustee of the New York State Common Retirement Fund (Fund) and administrative head of the New York State and Local Retirement System (the System) to express support for the petition requiring companies to report on the physical location of their significant assets, file no. 5-763.

The Fund holds the System's assets, valued at approximately \$ 194.3 billion as of March 31, 2020, and I have a fiduciary duty to invest those assets prudently and for the exclusive benefit of the System's more than one million members, retirees and beneficiaries. As a long-term investor, I agree that the physical impact of climate change will significantly affects investment risks and returns. And I believe that corporate disclosures of the physical location of significant assets could enhance an assessment of risks and opportunities, improve pricing of risks, and help lead to more informed capital allocation decisions.

Already, climate change has caused billions of dollars' worth of damage in the United States alone, and damage is likely to run into the trillions of dollars globally in the future. The studies cited in the petition estimate that these physical impacts will have a significant impact on global GDP and income. Central banks around the world, including the Federal Reserve, have warned about the systemic risks posed by climate change. Investors like the Fund are concerned, because the market lacks the disclosure necessary to specifically identify and price material financial risks associated with the physical impacts of climate change.

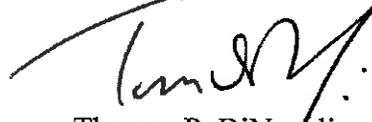
Identifying physical risks requires consistent and comprehensive information about the physical locations of companies' assets. But investors face significant challenges in assessing material physical climate risks because companies disclose only general or partial information about the physical locations of their assets. Imprecise location disclosures such as "China" or "California," for example, do not provide adequate information to analysts researching those companies' vulnerabilities and impacts to physical risks that could range from coastal flooding and storm surges to wildfires and drought, depending on where their assets are actually located. Investors are left with fragmented and incomplete information for investment risk analyses.

Having more precise location information for significant assets that, if damaged or destroyed, could have a material impact on corporate financial performance, is a necessity for the accurate assessment of climate risks, and the assignment of appropriate valuations to those risks so that market prices truly reflect value.

I thus urge the Commission to implement reporting requirements that will assure uniform, comprehensive disclosure of the physical locations of the companies' significant assets.

Thank you for the opportunity to provide comments on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom DiNapoli", with a long horizontal flourish extending to the left.

Thomas P. DiNapoli
New York State Comptroller