



**FAO: Acting Chair Allison Herren Lee
US Securities and Exchange Commission
Consultation on Climate Change Disclosures**

Written submission of Crake Asset Management LLP
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Crake Asset Management (Crake) is a London-based asset manager investing globally in equities, a large proportion of which are US listed companies. Whilst Crake does not run dedicated ESG funds, we have a duty to act as a responsible corporate citizen, which is also (rightly) expected of us by our investors (many of which are US based) and various stakeholders. Hence, as a firm with US clients and investing in US companies, Crake has a keen interest in the SEC's approach to climate change disclosures.

Crake believes that there is incontrovertible scientific evidence of global warming and that climate change and global warming are a real and present threat to humankind. Therefore, we have committed to monitoring and managing climate-related risks with respect to our investment portfolio and to encourage our portfolio companies to support the Paris Agreement by implementing strategies to reduce their emissions of greenhouse gases. Often this involves actively using our vote at Annual General Meetings to support resolutions aimed at facilitating the transition to a low-carbon economy and promoting the goals of the Paris Agreement. To achieve these commitments, we need our companies to make detailed, high-quality disclosures on climate change issues.

As we are not a specialist ESG investor we have not attempted to provide feedback to all areas of the SEC consultation document. However, we do wish to make a general contribution by addressing the question as to how the Commission can best regulate, monitor, review, and guide climate change disclosures in order to provide more consistent, comparable, and reliable information for investors.

Increasing the amount of consistent and comparable information will contribute to greater investor understanding of climate risks and facilitate financing the transition to a more stable and sustainable economy. Moreover, investors need a high level of

confidence in the standard of the information in order to reliably assess a company's compliance with its legal and ethical responsibilities which is a crucial factor in determining a company's cost of capital and therefore its ability to successfully invest in and grow its own business.

The Task Force on Climate-Related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board (FSB) to answer this need and create a universal framework for the disclosure of climate-related financial risks for use by companies and investors. The Task Force developed widely adoptable recommendations that are relevant to organizations across sectors and jurisdictions. Therefore, Crake Asset Management recommends that the SEC examine the merit of making it compulsory to publish exposure to climate-related risks and opportunities in line with the TCFD's disclosure framework. This should include disclosure of Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, the related risks, and the company's strategy to meet the objectives of the Paris Agreement.

We would further highlight the example of the UK Government which has set an expectation that all listed issuers and large asset owners will be disclosing in line with the TCFD's recommendations by 2022. To this end, the UK Treasury has set out an indicative path towards mandatory climate-related disclosures across the UK economy aligned with the recommendations of the TCFD.

Global institutional investors are increasingly realising they have a fiduciary duty to incorporate ESG issues in their investment decisions. But in order to do so, they need the assistance of economic and market regulators (such as the UK Treasury and the SEC) which can facilitate the flow of information between company and investor. By compelling many of the world's largest companies to disclose this information according to the TCFD framework, the SEC will be making a major long-term contribution to slowing the rate of climate change and promoting global economic and social stability.