



ASTM INTERNATIONAL
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May 26, 2021

Kristina Wyatt
Senior Special Counsel
Securities and Exchange Commission
Washington, DC

RE: Commission Request for Public Comment on Climate Change Disclosures

Dear Ms. Wyatt,

Enclosed is a letter from ASTM International's Executive Subcommittee E50.90 on Environmental Assessment, Risk Management and Corrective Action regarding the Commission's March 15, 2021 request for public comments on climate change disclosures.

The attached letter was written by members of subcommittee E50.90 and the contents were approved by this subcommittee.

Committee E50 on Environmental Assessment, Risk Management and Corrective Action is one of 147 ASTM technical committees composed of technical experts who represent producer, user, consumer, government, and academic stakeholder interests in the development on voluntary consensus standards for materials, products, systems, and services. Committee E50 adheres to well-regarded, industry-recognized, and time-tested principles for the development of consensus standards that reflect current technology and industry practice.

ASTM International is one of the world's largest voluntary standard development organizations. Over 12,900 ASTM standards, which address health, safety, and the environment, are published annually. The standards, and related technical information, are widely used throughout the world as a basis of purchasing and other contracts, codes, and regulations.

If you have any questions regarding this matter, please contact me at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in cursive script that reads 'Katharine E. Morgan'.

Katharine E. Morgan

cc: M. Lynyak, ASTM Staff Manager



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STAFF MANAGER: Molly Lynyak, [REDACTED]

May 26, 2021

Kristina Wyatt
Senior Special Counsel
Securities and Exchange Commission
Washington, DC

RE: Commission Request for Public Comment on Climate Change Disclosures

The ASTM Committee E50.90 Executive Subcommittee on Environmental Assessment, Risk Management, and Corrective Action appreciates the opportunity to submit this letter in response to the March 15, 2021 request for public comments on whether the current disclosure rules and regulations of the U.S. Securities and Exchange Commission (the "Commission") appropriately address climate change.

ASTM is a leading, non-profit organization devoted to the development of voluntary consensus standards. For more than 120 years, ASTM has served society by providing a global forum for the development and publication of voluntary consensus standards for materials, products, systems, and services that are utilized by 90 industry sectors in the United States and in most geographic regions of the world. ASTM is accredited by the American National Standards Institute (ANSI) and meets the World Trade Organization's (WTO) six principles for the development of international standards. Individuals from over 150 countries, including manufacturers, retailers, consumers, regulators, academics and researchers, serve on ASTM's 147 technical committees. Within ASTM's technical committees, members develop standards in areas such as consumer products, medical services and devices, textiles, metals, paints, plastics, petroleum, construction, aviation, energy, water, and the

environment. ASTM's diverse array of standards are used around the world to improve product quality, enhance safety, facilitate market access and trade, and build consumer confidence.

A strong and effective reliance on the non-governmental sector for development and maintenance of the standards at use across all sectors of our economy is supported by OMB Circular A119 and codified by Congress through P.L. 104-113 – The National Technology Transfer and Advancement Act (NTTAA). ASTM has a long history of working in conjunction with Federal agencies to develop standards that meet evolving regulatory needs. According to the National Institute of Standards and Technology (NIST) Standards Incorporated by Reference Database, there are over 3,000 standards from ASTM International incorporated by reference in the US Code of Federal Regulations. The public can view and read ASTM standards that are incorporated in Federal regulations – at no cost – by visiting the ASTM Reading Room at www.astm.org.

In ASTM, each technical subcommittee is responsible for the maintenance of the standards under its jurisdiction. Subcommittees can update or revise their standards at any time and as often as they deem appropriate. This flexibility allows subcommittees to react quickly to advances in technology and to accommodate other industry changes.

ASTM Committee E50 on Environmental Assessment, Risk Management and Corrective Action was created in 1990 and there are currently nearly 1,000 members who maintain approximately 100 standards. The scope of the Committee includes, but is not limited to multi-media environmental assessment and risk management issues including environmental assessment, environmental management, corrective action, due diligence, and sustainability. In particular, ASTM Committee E50, in coordination with other ASTM technical committees, can assist the Commission in carrying out its important mission more effectively by continuing to bring together stakeholders to develop voluntary consensus standards in three areas:

- Basic air, water, waste and land standards.
- International climate standards.
- Data, maps and other information to be preserved.

Relevant to the Commission's request for public comment is Committee E50's E2718-16 *Standard Guide for Financial Disclosures Attributed to Climate Change*, which served as a brief overview of climate change disclosure practices. Since 2016, several agencies and organizations have provided new and more detailed guidance:

- Commodity Futures Trading Commission
- Sustainability Accounting Standards Board
- Task Force on Climate-related Financial Disclosures
- US Securities and Exchange Commission

As a result, the Committee revised E2718, which will be published shortly as E2718-21. The revised version captures the Committee's review of recent publications, including those from the entities listed above, and thus includes sufficient practice insights. The revised version also refers back to generally accepted accounting principles, the three financial statements in common use today, and asks one question about materiality:

How will a reader of environmental disclosures be able to conclude if recent and upcoming climate change adaptation impacts (both good and bad) will be immaterial, or manageable, or unaffordable to a given enterprise?

As its most significant change, E2718-21 will outline two approaches to climate change adaptation disclosures (low impact and high impact). These approaches guide disclosure preparers to concisely communicate findings through one to four pages of reporting tied to the current balance sheet, income statement and cash flow statement. Based on the Committee's observations and evaluations of commonly-published annual reports of

200 to 400 pages, the E2718-21 recommended approach would help replace inconclusive boilerplate language with specific quantifications of recent and forecasted climate change adaptation impacts.

In sum, E2718-21 is intended for use by a reporting entity that provides disclosure in its financial statements regarding financial impacts attributed to climate change. The degree and type of disclosure depends on the scope and objective of the financial statements. This Standard Guide is intended to apply to U.S. and international operations at the discretion of the reporting entity.

We anticipate that E2718-21 will be published soon and would be pleased to share a copy for your review. We are available to answer any technical questions about the standard or provide a virtual meeting session for presentation and discussion of the technical merits of E2718-21. Further, several federal and state agencies, such as the EPA, participate in our standards development process and we would benefit from your participation on our committee to further define climate disclosure needs.

Thank you for your time and attention. We sincerely value our relationships with our regulators and the shared commitment to climate and environmental needs. If you have any questions, please do not hesitate to contact ASTM Staff Manager, Molly Lynyak, at [REDACTED].

Regards,

David W. Parsonage
Chair, Committee E50
[REDACTED]

Helen A. Waldorf
First Vice Chair, Committee E50
[REDACTED]

Tim Haley
Second Vice Chair, Committee E50
[REDACTED]

cc: Molly Lynyak
ASTM Staff Manager
[REDACTED]