REQUEST FOR COMMENT ON CLIMATE CHANGE DISCLOSURE

Dear Ms. Countryman,

The Bank of Finland signed the UN backed Principles for Responsible Investment (PRI) in 2019 as one of the first central banks to do so. The Bank has a public responsible investment principles stating why and how ESG issues are incorporated in non-monetary policy investments. Representing a PRI signatory, I welcome this opportunity to respond to the SEC’s request for public comment on climate change disclosures.

Standardized, mandatory disclosure of material climate and environmental, social and governance information, helps investors to fulfil their fiduciary obligation. ESG data allows investors to fully consider material information and make informed investment decisions for long-term value creation. However, investors lack consistent and comparable data on ESG factors necessary to integrate ESG considerations systematically and effectively into their investment practices. Currently, ESG information from issuers, when disclosed, is reported in voluntary formats, leaving investors to decode partial information and unable to regularly compare information between companies. Only with consistent, comparable and mandatory disclosure of issuer ESG data can investors actively mitigate risks and capitalize on opportunities, increasing the long-term value of their investments and at the same time financing sustainable economic growth. From both corporate and investor point of view it is beneficial to utilize current international reporting frameworks such as TCFD when creating new mandatory reporting requirements. This reduces both overlapping reporting requirements and resources whilst also improving the ability to compare issuers from different jurisdictions.

To summarize, we support standardized, mandatory disclosure of material ESG data so that investors and our fiduciaries can have access to consistent and comparable data on which to base our investment decisions. Thank you for your considerations.

Anna Hyrske
Principal Responsible Investment Specialist
Bank of Finland