



This letter is presented in response to an invitation for comment on climate change disclosures by SEC Acting Chair Allison Herren Lee to be submitted by June 14, 2021.

June 11, 2021

Dear Ms. Herren Lee:

Friends Fiduciary Corporation submits this comment letter in support of a rulemaking by the SEC on mandatory climate change disclosures. As investors, we believe that disclosure of the material and systemic risks of climate change will help companies and investors to better understand, price, and manage climate risks and opportunities. These activities are critical not only for efficient securities markets, but also to ensuring a just and thriving economy that works for all people and communities.

Friends Fiduciary invests on behalf of more than 400 Quaker meetings, churches, and organizations across the country. We have over \$600 million in assets under management. Our investment philosophy is grounded in the beliefs of the Religious Society of Friends (Quakers), among them the testimonies of peace, simplicity, integrity, and justice. We are long term investors and take our responsibility as shareholders seriously. When we engage companies we own through shareholder resolutions, we seek to witness to the values and beliefs of Quakers as well as to protect and enhance the long-term value of our investments.

As a member of the Interfaith Center of Corporate Responsibility (ICCR), a 50-year-old coalition of faith- and values-based institutional investors, we have been actively engaging companies on the risks posed by climate change. Because of this experience we understand the value of comparable, consistent, and reliable climate-related information. Friends Fiduciary believes climate disclosures are critical for effectively assessing risks in our investment decision-making.

Comprehensive climate disclosures by companies would help companies and investors like Friends Fiduciary better identify and manage climate-related risks and opportunities. U.S. regulators recognize climate change as a systemic risk to the financial system.¹ Frankly, we believe that “business as usual” is simply unacceptable as it presents significant risk to companies’ operations and will impact investors’ returns. Investors need consistent, comparable, and reliable climate risk disclosure by companies today to support comprehensive risk exposure assessments and to move towards a lower carbon future.

¹ <https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf>

It is important to recognize that climate change is impacting our larger economic and social systems. As a faith-based investor, we also recognize the interconnections between climate change, racial justice, and human rights, as the worst impacts of climate change are often borne by low-income communities and communities of color. These disproportionate impacts contribute to social inequities, which have negative consequences on society and the economy as well.

Because of the systemic risk presented by climate change, all companies, across all industries, need transparent, robust disclosures on how they impact and are impacted by climate change. The SEC can, and we believe should, help facilitate this with industry specific metrics that build on existing standards in common use by investors and companies to allow for comparable climate disclosures.

The climate crisis requires immediate action to mitigate the growing threats to financial markets, the economy, and society; therefore, we ask the SEC to act quickly and decisively in its climate disclosure rulemaking process. We appreciate the opportunity to provide comments and thank you for your consideration of them.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Perkins", with a stylized flourish at the end.

Jeff Perkins
Executive Director
Friends Fiduciary