



VIA ONLINE SUBMISSION: [Submit Comments on - Climate Disclosure \(sec.gov\)](#)

Ms. Allison Herren Lee
Acting Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

8 June 2021

Dear Ms Lee,

Universities Superannuation Scheme is the principal occupational pension scheme for universities and other higher education institutions in the UK. The fund is one of the largest pension schemes in the UK, with total fund assets of approximately £60 billion. The majority of assets are managed in-house by USS Investment Management, a wholly owned subsidiary of USS, authorised and regulated by the FCA.

USS takes seriously its fiduciary obligations to beneficial and institutional members. We aim to be engaged and responsible long-term shareholders of the companies in which we invest and to foster constructive dialogue. We therefore appreciate the opportunity, as a global investor, to submit individual comments to the Commission on current climate change disclosures under existing SEC regulations and where improvements can be made.

We are in a changing world; climate change and the policy response to it are already impacting the assets in which we invest, and this is expected to accelerate in the future. The speed and timing of this transition appears very likely to have a significant impact on asset values, and potentially create systemic financial risks across investment portfolios. Transparency promotes well-functioning capital markets and it is therefore imperative that we, as investors, are provided with rigorous, consistent and comparable climate data to facilitate efficient allocation of capital to companies that are best positioned to transition to low-carbon business models. It is in this light that we submit our comments below;

In response to **Question 5** of the consultation, we, as global investors, consider it key that the SEC align, as far as possible, any disclosure standards with those being considered by the IFRS and the newly created Sustainable Standards Board.

USS Investment Management Ltd

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The IFRS stated it is considering utilising both the TCFD framework and the prototype developed by the global coalition of standard setters (SASB, IIRC, GRI, CDSB and CDP). Building on current frameworks such as the TCFD (which has support from both companies and financial institutions responsible for approximately \$150tn worth of assets¹) and collaborating with the IFRS to align disclosure requirements would reduce cost, complexity and risk to both companies and investors. The speed needed to successfully transition our financial markets to a low carbon economy also necessitates any new standards to be rolled out as soon as possible. Aligning standards globally would help achieve this.

In response to **Question 11**:- Currently, we consider US companies' climate disclosure to be considerably lagging European peers and poses serious challenges for global investors to compare strategies, risks, results or performance across companies. Furthermore, USS would welcome climate related disclosure from companies to be clearer and more rigorous about the impact of climate change in their financial reports. We consider climate change a material risk and should be reflected in company accounts. As a member of the IIGCC and ClimateAction100+ investor groups, we support the work they are carrying out to assess whether a company's financial model is compatible with a sustainable climate. However the data available is inconsistent, with a mismatch between what is disclosed in regulatory filings and what companies voluntarily publish.² We encourage any climate standards considered by the Commission to enforce existing accounting and related disclosure requirements to reflect the financial impacts of the climate crisis and the transition to a low-carbon economy. This external assurance improves transparency and credibility of a company's ESG disclosure whilst reducing risk.

Finally, in response to **Question 14**:- Climate data from issuers should also be reflected in disclosures throughout the investment chain, in order to allow beneficial owners investing through asset managers to manage climate risk for their schemes.

Please contact us, if you have any questions or require further information.

Your sincerely,

David Russell
Head of Responsible Investment
USS Investment Management Ltd

¹ See [2020-TCFD Status-Report.pdf \(bbhub.io\)](#)

² [G A-Flash-Report-2020.pdf \(ga-institute.com\)](#)