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June 11, 2021

Gary Gensler, Chairman of the U.S. Securities and Exchange Commission
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Public Input on Climate Change Disclosures

Dear Chairman Gensler:

Thank you for the opportunity to comment on the regulation of climate change disclosure. We welcome the Securities and Exchange Commission's (the "SEC") interest in evaluating the disclosure of climate-related information and believe the SEC can play a pivotal role in advancing corporate disclosure on financially material sustainability-related matters, including disclosure related to climate change.

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 35 cities worldwide, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With more than 600 investment professionals and approximately 2,200 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes, for many of our clients, active consideration of environmental, social and governance (ESG) factors.

Since the inception of the firm, Neuberger Berman has remained singularly focused on delivering attractive investment results for our clients over the long term. As an active manager, we have a long-standing belief that material ESG factors are important drivers of long-term investment returns from both an opportunity and a risk-mitigation perspective. Therefore, we take a comprehensive approach toward managing client assets, including the integration of ESG criteria into our investment processes.

We believe the lack of high-quality, comparable, decision-useful information on material climate information and ESG factors is making it harder for the market to efficiently allocate capital to companies that can generate strong long-term financial returns. In certain markets outside of the United States, investors are mandated to provide climate information pertaining to issuers in which they invest. In the absence of standardized and comparable climate disclosures, investors must resort to reliance on estimates that are often provided by third parties and not the companies. Unfortunately, that unambiguously makes for less efficient capital markets. As a result, we recommend the SEC adopt a set of mandatory disclosures of key climate-related metrics that apply across industries. Those metrics should include Scope 1 and 2 Greenhouse gas ("GHG") emissions and material Scope 3 GHG emissions. In doing so, we believe the SEC would help address the need for standardized and comparable climate-related disclosures that can subsequently be utilized as an investor deems appropriate. The reporting framework for the initial mandatory metrics can be the basis for additional sustainability factors over time as the methodologies for ESG measurement mature.

In addition to mandatory disclosures of key climate-related metrics, we believe the SEC has an opportunity to create a more dynamic reporting system by leveraging the existing work and expertise of third-party standard setters such as the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework. We have found that beyond GHG emissions, climate-related and sustainability-related risks and opportunities more broadly tend to vary significantly by industry. Furthermore, as the same sustainability issue can manifest differently across industries, an industry-specific approach is essential to meet market demand for robust standards and enable more efficient price discovery across a broad range of sustainability risks.

Given the complexity involved in determining appropriate industry-specific metrics and the dynamic nature of ESG topics, we believe the SEC should leverage established standard setters rather than pursue the development of its own industry-specific standards. We encourage the SEC to leverage existing sustainability frameworks and standards that have broad investor support (*e.g.,* SASB and TCFD). For industry-specific disclosures in particular, SASB's industry-specific standards have been developed and are supported by a transparent, rigorous approach to standards setting informed by market participants including investors, companies and subject matter experts. Given rapidly increasing investor demand for consistent, comparable and high-quality sustainability information amongst market participants, we believe leveraging the existing work and expertise of these organizations will enable companies to provide disclosure in a cost-effective and timely fashion.

Finally, for information that requires input from third parties or involves estimates, we do not believe it would be unreasonable for the SEC to consider assisting companies by providing regulatory safe harbors. Additionally, while our preference is for registrants to include climate-related disclosures alongside traditional financial disclosures, our main priority is to receive standardized and comparable climate-related disclosure in a timely manner even if separate from financial reporting. As such, we are mindful that more flexibility in the delivery of these disclosures may be warranted for an initial period.

We appreciate the opportunity to share our views and welcome further dialogue with the SEC on this important matter.

Sincerely,

Joseph V. Amato
President and Chief Investment Officer, Equities
Neuberger Berman

Jonathan Bailey
Head of ESG
Neuberger Berman