June 11, 2021

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Public Input Welcomed on Climate Change Disclosures

Dear Chairman Gensler,

One Concern, Inc., appreciates the opportunity to comment on the Climate Change Disclosure request for comment for the Securities and Exchange Commission. One Concern is a six-year-old artificial intelligence ("AI") startup born out of Stanford University. Our mission is to make disasters less disastrous by applying AI and machine learning to natural hazard science. With operations in the US and Japan, the company quantifies resilience from catastrophic perils, empowering leaders to measure, disclose, and transfer and/or mitigate climate risk to enable operational resilience. One Concern is part of the World Economic Forum's Global Innovators community.

We believe corporate climate change disclosures focused on environmental, social and governance ("ESG") activities are extremely important. They should be encouraged and made even more actionable, so that investors can clearly understand both the activities that companies are taking to reduce their future contributions to climate change, as well as the true costs those reductions will have, depending on their speed and intensity.

Currently, ESG disclosure includes information on enterprise greenhouse gas ("GHG") emissions reductions, as well as targets for future reductions and to a lesser, but increasing extent, companies also share information on the transition risks associated with a range of GHG emissions reductions scenarios. If climate change were only something due to occur in the distant future, this might be sufficient for investors, but climate change is already here. Extreme weather already substantially impacts the economy and its effects are expected to dramatically intensify.

For companies, climate change presents an immediate and increasing risk to their physical assets and their ability to operate. Downtime caused by damage to critical infrastructure can be as impactful for a company as direct damage to their facilities. The recent power outage crisis in Texas in early-2021 again highlighted the vulnerabilities of companies' operations due to climate-change induced risks. The direct and indirect physical risks of climate change are growing for companies, but unfortunately, these risks largely exist in a blind spot for investors. It does not have to be this way.

Companies and investors share an interest in understanding the operational and financial risks associated with the impact of extreme weather, on both their facilities and the infrastructure those facilities depend on. Fortunately, the data and models needed to quantify these climate change-fueled natural hazard risks are now becoming available. New technologies can even assist in the creation of a “digital twin” of a company’s facilities and operations for a comprehensive risk analysis. Business leaders should avail themselves of the opportunity to understand these risks and use that understanding as a catalyst to further build their enterprise resilience.

If they are reluctant to do so, inaction borne out of ignorance isn’t a viable defense anymore. It is no longer credible to claim that one could not have foreseen the likelihood of an extreme event, or the precise impact it would be expected to have. Scientific and technological advancements make it possible to engage in regular scenario analyses to determine vulnerabilities and determine where an enterprise should direct its efforts to improve its resilience. That is, a combination of newly curated data and specific physical-asset-focused analytics can provide guidance as to how climate-change-induced extreme weather affects an enterprise's resilience. And since companies can now meaningfully identify these risks, their managers have a fiduciary duty to disclose them and the threats they pose to physical assets, operations and market value.

Encouraging concrete and measurable disclosures about the risks companies, their assets and their operations, face from extreme weather, will shine a light on the financial risk climate change is posing today -- a risk that is all too often overlooked and one that is only going to increase. Increased transparency and accountability and the market power it unlocks will in turn generate increased resilience across the system, something much needed in a world of extreme weather.

Sincerely,

Craig Fugate
Chief Resilience Officer, One Concern
Former FEMA Administrator