Ms. Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549


Dear Ms. Countryman,

We urge the SEC to move quickly and require that companies and banks reveal their climate and environmental, social, and governance (ESG) risks to investors and the public. For decades, corporations have been able to hide their contributions to climate change, and even claim to be contributing to a cleaner economy without hard facts to back it up. It is clear that voluntary efforts of corporations and banks have fallen far short of the progress needed to avert the climate crisis. The SEC has a responsibility and an opportunity to make key information public and put an end to corporate greenwashing by requiring standardized disclosures of climate and sustainability risks, as well as social and governance factors that affect companies’ long-term profitability and market performance.

The SEC’s mission is to protect investors, ensure fair and efficient markets, and promote a sustainable allocation of capital. To achieve those goals, investors and the public must be informed about corporations’ contribution to climate change, their vulnerability to climate impacts, and their plans to remain viable in a low carbon economy. In addition to climate issues, the SEC must require disclosure of other sustainability indicators like corporations’ treatment of workers and their surrounding community, their commitment to diversity, equity, and inclusion, and their track record on tax compliance and political spending. Informed investors are the lynchpin of fair markets, and being able to compare sustainability metrics—like total greenhouse gas emissions, clean energy investments, board diversity and demographics, and worker wages—on an apples to apples basis would contribute to the sustainability and long term stability of the economy.

At the same time, the SEC must also recognize that climate change itself is not just an environmental crisis, but one of social justice, wealth distribution, equity and human rights. Many investors want to make sure their investments don’t perpetuate a cycle of vulnerability to climate impacts, climate mitigation collateral harms, and the lack of adaptation and resilience resources that fall unevenly on Black, Latinx, Indigenous, and AAPI communities, and the global south. A new ESG disclosure regime must include quantitative and qualitative disclosures related to climate, environmental, racial, and economic justice.

Finally, the SEC should ensure that ESG disclosures are mandatory, subject to independent audit, and enforceable, or financial risk from unsustainable practices will continue to grow unabated within the markets. Consumers, investors, the public, and the planet suffer when corporations and banks are allowed to operate and raise money in the dark.

Sincerely,

Americans for Financial Reform Education Fund
Center for Digital Democracy
Center for Economic Integrity
Pennsylvania Council of Churches
Public Justice Center
cc: The Honorable Gary Gensler, Chair
    The Honorable Allison Herren Lee, Commissioner
    The Honorable Hester M. Peirce, Commissioner
    The Honorable Elad L. Roisman, Commissioner
    The Honorable Caroline A. Crenshaw, Commissioner