June 14, 2021

The Honorable Allison Herren Lee
Commissioner
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

VIA ELECTRONIC MAIL
rule-comments@sec.gov

Subject: Public Input Welcomed on Climate Change Disclosures

Dear Commissioner Lee:

The undersigned, representing the members of the Capital Area Chapter of the National Investor Relations Institute (NIRI), appreciate the opportunity to communicate on behalf of its membership its views in response to your request for written comments regarding climate change disclosures.¹

The undersigned individuals represent members who are investor relations officers at 17 publicly held companies headquartered in the Washington, DC area, including Maryland and Virginia. These companies, listed on the New York Stock Exchange and the NASDAQ Exchange, have a combined market capitalization of approximately $180 billion. We also represent investor relations counselors who advise publicly held companies across the country.

In response to your request for comments, we endorse the five points raised by our organization’s national headquarters in its comment letter to you.² We believe they represent the views of a vast majority of the public companies whose investor relations officers are members of NIRI.

We offer the following views on climate-related disclosures in response to certain questions posed in your request for written comments. In doing so, we agree that improved climate disclosure is needed for investors, given the increasing interest on their part. As the Commission realizes, how this can be achieved is challenging, given the diversity of the participants in the capital markets. There is no “one size fits all” solution to this issue.

¹ See Acting Chair Allison Herren Lee, Public Input Welcomed on Climate Change Disclosures, March 15, 2021.
Our views are also based on the fact that there is a convergence among third-party frameworks, in particular, ratings agencies and standard setters, taking place in order to harmonize sustainability standards and metrics for investors to evaluate an issuer’s environmental standing as a result of its climate-related disclosures.\(^3\)

For the Commission to “best regulate, monitor, review, and guide climate change disclosures in order to provide more consistent, comparable, and reliable information for investors while also providing greater clarity,” we believe the Commission should collaborate with both the Value Reporting Foundation (VRF) and the Global Reporting Initiative (GRI). As major standards setters, both organizations have done much of the work and established solid foundations in the investment community from which the Commission can determine the best way to provide reliable information with greater clarity for investors. In promulgating new rules for climate change disclosure, we would urge the Commission to not duplicate what has already been accomplished by these standard setters.

By collaborating with the VRF and GRI, we believe many of the questions asked in your request for public comment can be addressed. In particular, we see the standards set by the VRF and GRI as advantages for their use by the Commission regarding climate change disclosures much the same way that the Financial Accounting Standards Board (FASB) supports the Commission in accounting. Further, these standard setters are already collaborating to demonstrate how issuers can use both sets of standards concurrently.\(^4\) They have already released a report highlighting “the ways in which companies are already using the two sets of standards together,” demonstrating the complementary nature of both sets of standards.\(^5\)

We also believe a collaboration with the VRF and GRI would better address the updating, improving, augmenting, or changing of disclosure requirements. These standards setters can address those actions in a much timelier manner than the Commission, given the statutory requirements for rulemaking and amending them as well as legal challenges to the Commission’s authority on such matters. We need only to point out how long the process was for publishing the new regulations regarding proxy advisors and the subsequent actions that have taken place regarding their implementation.

We believe a reasonable approach for requiring climate-related disclosures are the steps advocated by Commissioner Roisman in his June 3\(^{rd}\) speech: allowing “issuers flexibility in how they present much of this new disclosure, recognizing these limitations;” the consideration of “a safe harbor for companies that are earnestly trying to provide this new information, along the lines of that which is available for companies’ forward-looking statements;” and furnishing the

\(^3\) Joint Statement, Global Data and Analytics Providers, signed by Refinitiv, MSCI, Bloomberg, S&P Global, and FactSet (May 19, 2021), available at Global Data and Analytics Providers Align on Sustainability Metrics - FCLTGlobal. Also press release, “IIRC and SASB form the Value Reporting Foundation, providing comprehensive suite of tools to assess, manage and communicate value (June 9, 2021), available at IIRC and SASB form the Value Reporting Foundation, providing comprehensive suite of tools to assess, manage and communicate value - The Value Reporting Foundation.


disclosures to the Commission, rather than filing them so that the “benefits can be realized without imposing the level of liability that filing with the SEC presents.”

We agree that improved climate disclosure is needed. We reiterate our concern that the Commission, in making these improvements, does not duplicate what has already been established by the VRF and GRI with regard to climate change and climate-related disclosure. We encourage the Commission to pursue a collaborative approach with these major standard setters, as outlined above, to address the issue of improved climate disclosure.

Thank you for the opportunity to present the views of the Capital Area Chapter on this important topic.

Sincerely,

[Signature]

David Dixon
President, NIRI Capital Area Chapter

[Signature]

David L. Dragics
NIRI Capital Area Chapter Advocacy Ambassador
Retired Senior Vice President, Investor Relations
CACI International Inc

cc: The Honorable Gary Gensler
The Honorable Hester M. Pierce
The Honorable Elad L. Roisman
The Honorable Caroline A. Crenshaw
Niels Holch, Vice President of Public Policy and Advocacy, NIRI

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6 See Commissioner Elad L. Roisman, Putting the Electric Cart before the Horse: Addressing Inevitable Costs of a New ESG Disclosure Regime, June 3, 2021