



June 15, 2021

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

Re: Request for public input on climate change disclosures

Dear Chair Gensler:

Delos Living LLC ("Delos") is pleased to provide comments in response to the March 15, 2021 request for public input on climate change disclosures by the Securities and Exchange Commissions ("SEC").

Company Background

As the pioneer of Wellness Real Estate™ and founder of the WELL Building Standard™, Delos is transforming workplace, homes, schools and other indoor environments by placing health and well-being at the center of building design and operations. Informed by more than seven years of research of the environmental health impacts on people and research collaborations with leading institutions and subject matter experts, including the Cleveland Clinic and Mayo Clinic, Delos offers an array of evidence-based wellness standards, programs and solutions designed to improve the health, well-being and performance of occupants in the built environment. Delos has helped evolve the conversation from environmental sustainability to include human sustainability.

Purpose Statement

It has long been accepted that climate change has direct linkages to long-term health outcomes. According to the National Climate Assessment, climate change will affect human health by increasing ground-level ozone and particulate matter air pollution. Ground-level ozone is associated with many health problems, including diminished lung function, increased hospital admissions and emergency department visits for asthma, and increases in premature deaths.¹ Between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year, from malnutrition, malaria, diarrhea and heat stress alone. The direct damage costs to health is estimated to be between USD 2-4 billion per year by 2030.²

¹ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention and the American Public Health Association. ["Climate Change Decreases the Quality of the Air We Breathe"](#).

² World Health Organization. ["Climate Change and Health"](#).

Air pollution, the primary driver of climate change, causes hundreds of thousands of deaths in the U.S. annually³ and has become the world's single biggest environmental health risk with more than 7 million deaths globally attributable to the joint effects of household and ambient air pollution.⁴ Americans, on average, spend approximately 90 percent of their time indoors,⁵ where the concentrations of some pollutants are often 2 to 5 times higher than typical outdoor concentrations.⁶ It is precisely because of the direct linkage to climate change that we believe the expanded disclosure of health and well-being metrics, in part a by-product of an adverse climate change scenario, will provide investors with information that materially affects financial outcomes for publicly traded companies.

Current State of the Employee Health & Safety General Issue Category

As an example of an existing ESG framework, the Employee Health & Safety general issue category of the Sustainability Accounting Standards Board ("SASB") aims at assessing and addressing issues affecting a company's ability to create and maintain an environment free of injuries, fatalities, and illnesses – both acute and chronic. Additionally, it also aims at addressing a company's ability to ensure the physical and mental health of its workforce. Currently, of the 77 SASB industry standards, 27 (35%) include one or more accounting metric(s) related to Employee Health & Safety. Although this general issue category aims at addressing both safety and health, the vast majority of the existing Employee Health & Safety metrics aim at addressing safety (incidents, injuries and related fatalities), while only a small portion aims at addressing health and illnesses (see Appendix 1). Indeed, only 7 industry standards (9%) include one or more Employee Health & Safety metric(s) related to employee health and illnesses.

We strongly recommend that the SEC examine the follow-on effects on health and well-being associated with climate change and incorporate the same level of scrutiny and disclosure toward health related information.

In summary:

- Health and well-being initiatives should be a central objective across all publicly traded companies – based on the value creation implicit in pursuing them.
- Certain health and well-being aspects of company environments could be disclosed under proposed frameworks to help investors make informed decisions on critical dimensions of sustainability performance.
- Studies have shown that the pursuit of superior indoor air quality correlates with marked increases in productivity levels and cognitive function. Conversely, poor indoor air quality could pose considerable health risks.
- Delos sees the pursuit of clean air for employees of all companies to be a material aspect, deserving of investor scrutiny and central to investment decision making.

³ ["U.S. Call to Action on Climate, Health, and Equity: A Policy Action Agenda"](#).

⁴ World Health Organization. ["Burden of Disease from Household Air Pollution for 2012"](#).

⁵ U.S. Environmental Protection Agency. "Report to Congress on Indoor Air Quality: Volume 2". EPA/400/1-89/001C. 1989, Washington, DC. U.S.

⁶ U.S. Environmental Protection Agency. "The Total Exposure Assessment Methodology (TEAM) Study: Summary and Analysis". EPA/600/6-87/002a. 1987, Washington, DC.

Pan-industry Application and Proposed Metrics

While recognizing that general sustainability topics often have unique implications to different industries, we see employee health and well-being as having considerable impact across the industry spectrum. Simply put, health and well-being initiatives should be a central objective across all publicly traded companies – based on the value creation implicit in pursuing them. Furthermore, certain health and well-being aspects of company environments could be disclosed under ESG standards to help investors make informed decisions on critical dimensions of sustainability performance. We can further imagine the establishment of industry health and well-being benchmarks so that peer-to-peer comparisons can be made and industry benchmarks can be established.

With respect to individual accounting metrics, we now have the ability to measure, both adequately and accurately, health and well-being parameters of the built environment that can be compared across industries – an important feature for investors with diversified portfolios. The California State Teachers Retirement System (CalSTRS) has been cited frequently in their desire to obtain more consistent and comparable, asset and entity-level sustainability data to support investment analysis.

One parameter with pan-industry application would be the assessment of indoor particulate matter air pollution. Studies have shown that the pursuit of superior indoor air quality correlates with marked increases in productivity levels and cognitive function.⁷ Conversely, poor indoor air quality could pose considerable health risks. For example, in China where air quality is a critical issue, the installation of PM2.5 sensors – which measure particulate matter pollution sized 2.5 microns or smaller – is now commonplace.

We see the pursuit of clean indoor air for employees of all companies to be a material aspect, deserving of investor scrutiny and central to investment decision making. We offer this metric as just one example of a host of health and well-being parameters that could be incorporated into the current proposed ESG standards, which would serve to inform investors on factors that influence productivity and overall health outcomes for public companies.

In conclusion, we appreciate the opportunity to work closely with the SEC to inform sustainability reporting principles, particularly as they relate to the human capital dimension. We strongly encourage your consideration toward the expanded disclosure of health and well-being metrics in concert with climate-related financial disclosures to provide a more comprehensive and quantifiable framework for investor evaluation.

Sincerely,

Delos Living LLC

⁷ JLL and PureLiving China. [“Every Breath We Take – Transforming the Health of China’s Office Space”](#).