



April 10, 2026

Vanessa A. Countryman, Secretary

U.S. Securities and Exchange Commission

100 F Street, N.E.

Washington, D.C. 20549-1090

Re: Statement on Reforming Regulation S-K

Dear Secretary Countryman:

I. Introduction: The U.S. Impact Investing Alliance and the Investors We Represent

The U.S. Impact Investing Alliance (the “Alliance”) respectfully submits this comment letter in response to the Commission’s invitation, as articulated in Chairman Atkins’ January 13, 2026 statement, to engage in a comprehensive review of Regulation S-K. The Alliance welcomes this opportunity to set forth its views on the foundational principles that should guide any revision to the Commission’s non-financial disclosure framework.

The Alliance is a leading organization dedicated to catalyzing the growth and mainstreaming of impact investing across the United States. We define impact investing broadly: it encompasses investments made across asset classes, geographies, and strategies that are intended to generate financial returns alongside measurable and positive social, economic, or environmental outcomes. That breadth is intentional. Impact investors are not a monolithic constituency, nor are they ideologically uniform. Our community includes high-net-worth individuals and family offices, foundation endowments, faith-based investors, community development finance institutions, wealth management platforms, private equity and venture capital fund managers, and large institutional asset allocators. Collectively, the members of our boards and advisory councils own and manage assets totaling well in excess of one trillion dollars.

It is important that the Commission understand the full character of our membership. The Alliance’s investors include stakeholders deeply committed to the priorities of this Administration and of broad bipartisan concern: expanding access to affordable housing, stimulating investment in rural communities, and supporting small business formation and growth. We also work closely with religious and values-based investment communities whose fiduciary obligations are inseparable from their moral commitments. The Alliance was actively engaged in the development and deployment of the Opportunity Zones program, a signature initiative demonstrating that private capital—when provided appropriate incentives and information—can serve both investors and communities simultaneously.

Crucially, the Alliance represents reasonable investors who integrate systemic considerations as a driver of long-term value, not a trade-off against financial performance.^[1] Impact investors hold diversified portfolios and are often subject to the same fiduciary obligations that govern other institutional and professional investors. Impact goals are pursued alongside—not in lieu of—financial returns. These investors are active participants in the governance of the companies they hold: they engage with management, exercise proxy voting rights thoughtfully, participate

in the shareholder proposal process, and monitor portfolio performance against a broad range of material factors. They are, in sum, exactly the kind of engaged, long-term, sophisticated investor that the Commission's disclosure framework was designed to serve.

II. Robust Disclosure Is a Cornerstone of Efficient and Effective Capital Markets

The Alliance fully supports the Commission's foundational statutory mission: to maintain fair, orderly, and efficient capital markets and to protect the investors who participate in them.

That mission is inseparable from the principle of mandatory, standardized disclosure. Efficient markets require that investors—both large and small—have access to the information necessary to price risk accurately, make informed capital allocation decisions, cast intelligent proxy votes, and hold corporate management accountable. Disclosure is not merely a regulatory formality; it is the informational architecture upon which market discipline is built.

Chairman Atkins' statement invokes Justice Marshall's observation in *TSC Industries, Inc. v. Northway, Inc.* that an avalanche of immaterial information is no more protective of investors than too little disclosure.^[2] We accept that premise. Clarity and consistency in disclosure are legitimate regulatory objectives. But we caution strongly against treating that principle as a license to eliminate or curtail disclosures that are, in fact, material to a significant segment of the investing public. The Commission's own materiality standard—whether there is a substantial likelihood that a reasonable investor would consider the information important—is a demanding threshold, and one that the disclosure items now under review comfortably satisfy.

We are concerned that the current review risks being used to justify the elimination of disclosure categories that have served investors well under the guise of reducing information overload. The Alliance urges the Commission to resist that characterization. The volume of disclosure is not itself evidence of immateriality. Regulation S-K has grown because corporate governance has grown more complex, more globally intertwined, and more exposed to systemic risks that did not register in 1982 when the regulation was first adopted. An honest accounting of disclosure volume must acknowledge that the risks themselves have proliferated, not merely the regulatory requirements that respond to them.

The Alliance further cautions against any move—whether explicit in rulemaking or implicit in interpretive guidance—toward issuer-determined materiality. The history of securities regulation teaches that self-assessed materiality produces systematic under-disclosure.^[3] We have seen this on human capital management, where principles based standards were codified by the SEC in 2020 but the Investor Advisory Committee still recommended more specific criteria, finding that voluntary disclosure had failed to produce the comparable, decision-useful information investors require.^[4] Issuers face structural incentives to conclude that adverse information is immaterial; that is precisely why the Commission has long maintained the authority to prescribe disclosure items that it has determined, based on evidence and comment, to be broadly material to investors. We urge the Commission to retain that posture. Mandatory, standardized disclosure facilitates comparability across issuers—a property that is itself of immense value to investors attempting to allocate capital efficiently across portfolios.

We note as well that the “information overload” rationale has weakened considerably in the current technological environment. The Commission itself has facilitated structured data filing

and inline XBRL tagging precisely to enable machine-readable, scalable processing of disclosure. Investors, intermediaries, and analytical platforms now routinely deploy artificial intelligence and natural language processing tools to synthesize voluminous disclosure into actionable intelligence. The argument that length alone renders disclosure counterproductive does not hold in an era in which technology to assist complex and timely analysis is rapidly advancing. The appropriate response to complexity is better structure and tagging—not deletion.

When assessing the scope of disclosures that should be required, long-term cash flows are one among many categories of material information that diversified, institutional investors like the Alliance's members incorporate into their investment analysis and decision-making frameworks.^[5] But those cash flows cannot be analyzed apart from the systems that impact the long-term outlook. Investors who hold diversified portfolios and take long time horizons are necessarily concerned with the systemic factors—macroeconomic, environmental, geopolitical, social—that drive value across their holdings. This is not an ideological preference; it is an investment reality. Scaling back disclosure requirements risks removing precisely the categories of information that diversified investors need to assess portfolio-wide risk, not just individual issuer performance.

In this comment, the Alliance focuses its attention on two topics of disclosure that we believe are most relevant to the current review and most clearly material to our members' investment decisions: risk factor disclosure under Item 105, and the broader structural question of whether reducing disclosure serves investor interests at all. We address each in turn, and we urge the Commission to defend the investor-protective baselines that these requirements represent.

III. Risk Factor Disclosure Under Item 105: The Case for Specificity Over Contraction

Item 105 of Regulation S-K requires registrants to disclose the material factors that make an investment in the company speculative or risky. The Alliance acknowledges what the public record clearly reflects: risk factor disclosure has grown substantially since the provision was extended to annual and quarterly reports in 2005, and that growth has not always produced commensurate improvement in the quality of investor communication. The Commission has itself recognized this, amending Item 105 in 2020 to require a summary for sections exceeding fifteen pages — a reform whose results were mixed at best, with many companies adding a summary while leaving their underlying disclosure unchanged in length.^[6] We accept these observations as accurate.

What we do not accept is the inference that volume is evidence of immateriality, or that the remedy for disclosure that has grown unwieldy is to narrow the categories of risk that must be addressed. The universe of material risks facing public companies has not contracted since 2005 — it has expanded. Geopolitical instability, cybersecurity vulnerabilities, supply chain fragility, the legal and competitive consequences of artificial intelligence adoption, and the increasing frequency and severity of physical climate events have all grown in financial salience and investor relevance. Companies that disclose at length about these risks may be doing so because the risks are genuinely material to their business — not because disclosure requirements have outrun reality. Any reform that proceeds from an assumption of overcaution rather than genuine risk exposure may strip investors of information they need to price securities accurately.

The Alliance’s position is that the Commission should direct its reform energy toward improving the quality and specificity of risk factor disclosure rather than reducing its scope. The problem in many filings is not that too many risks are disclosed — it is that the risks disclosed are too generic, too legal in register, and too disconnected from the particular operational and financial profile of the company making them. The Commission has already identified this problem and articulated the right standard: Item 105 expressly requires disclosure that is specific to the registrant and its industry, and expressly discourages boilerplate.^[7] The gap between that standard and current practice is an enforcement and guidance problem, not a scope problem. Enhanced staff scrutiny of filings populated primarily by generic language, and additional Commission guidance requiring companies to explain the specific mechanism by which a given risk would affect their business, would move the needle without removing material disclosure from the investor record.

Chairman Atkins’ February 17, 2026 remarks at the Texas A&M School of Law Corporate Law Symposium offered the most detailed public articulation to date of the Commission’s thinking on Item 105. The Alliance has read those remarks carefully, and we appreciate the Chairman’s candor in identifying the specific concerns — and the specific reform concepts — under active consideration. We respond to them directly.

The Chairman floated two specific reform mechanisms. The first is a “general terms and conditions” model, under which an SEC-maintained or company-maintained library of broadly applicable risks — legislative change, geopolitical events, natural disasters — could be incorporated by reference, leaving company-specific filings to address only issuer-specific risks. The second is a safe harbor from anti-fraud liability for failure to disclose risks associated with “publicized events that are reasonably likely to affect most companies.” The Alliance addresses each in turn.

With respect to the “general terms and conditions” concept, we can see the intuition: if every company is expected to disclose that geopolitical instability or natural disasters could affect its business, a centralized repository of such risks might eliminate redundancy and focus individual filings on what is distinctive to each issuer. The Alliance does not categorically oppose exploring this structure, but we urge the Commission to proceed with significant caution. The materiality of a given risk category — whether climate-related physical risk, or legislative change, or cybersecurity exposure — is not uniform across issuers. It varies materially based on industry, geography, supply chain concentration, and operational profile. A company whose manufacturing facilities sit in a flood plain faces a categorically different exposure to climate-related physical risk than a software company operating entirely in cloud-based infrastructure. Allowing the former to satisfy its disclosure obligation by referring to generic “natural disasters” entry in a centralized library, rather than disclosing its specific facility-level exposure, would leave investors with materially less information about the risk that is actually material to that company. The “general terms and conditions” model, if not carefully designed with robust supplementation requirements, would hollow out the issuer-specificity that is the entire point of risk factor disclosure.

The safe harbor proposal raises more serious concerns. Chairman Atkins suggested that the Commission could adopt a rule stating that failure to disclose impacts from publicized events that are reasonably likely to affect most companies would not constitute a material omission under the federal securities laws’ anti-fraud provisions. The stated rationale is that relieving

companies of liability for generic risks would incentivize them to focus their filings on genuinely company-specific disclosure. The Alliance understands the intent, but the practical effect of such a safe harbor could be the opposite of what is intended.

Consider what “publicized events that are reasonably likely to affect most companies” might encompass in the current environment: rising interest rates, trade policy disruption, artificial intelligence-driven competitive displacement, geopolitical conflict affecting global supply chains, and — critically — the increasing frequency and severity of physical climate events. Each of these categories has already demonstrated its capacity to produce material, issuer-specific financial consequences.

As one concrete illustration: the financial materiality of physical risks like floods, wildfires, and droughts to corporate equity value is no longer a matter of conjecture or ideological assertion. Peer-reviewed research has documented statistically significant correlations between extreme weather events and measurable declines in the equity value of affected companies.^[8] The economic losses attributed to the 2025 Los Angeles wildfires — estimated to exceed \$250 billion — illustrate precisely the mechanism by which a physical climate event translates into realized financial loss.^[9] The risk is not generic; it is company-specific, facility-specific, and supply-chain-specific. Investors cannot assess it from headline news. They need the issuer-level disclosure that Item 105 is designed to produce.

A safe harbor that effectively immunizes issuers from liability for failing to disclose their company-specific exposure to these categories of risk would not reduce boilerplate disclosure — it would eliminate the disclosure of some of the most financially material risks that exist. Investors would be left to price those risks without the issuer-specific information that is most relevant to doing so accurately.

Investors — particularly diversified, long-horizon investors like the Alliance’s members — do not benefit from shorter risk factor sections if the result is less company-specific analysis. They benefit from sections that are precise, well-organized, and genuinely informative about the material risks facing each particular issuer. The Commission should be cautious about any reform pathway that reduces the investor’s ability to distinguish between companies with meaningfully different risk profiles. That capacity for comparison is among the most important functions that mandatory, standardized disclosure serves.

IV. The Broader Structural Risk: Disclosure Reduction, Management Primacy, and Market Accountability

The Alliance wishes to address a concern that transcends any individual disclosure item. The Commission's review of Regulation S-K is taking place against a broader backdrop of institutional and market forces that have, over recent decades, steadily shifted power within public companies toward management and away from shareholders. The Alliance has tracked and documented these trends carefully.^[10] Any reduction in mandatory disclosure requirements—regardless of the specific items involved—must be evaluated against this structural backdrop.

Disclosure is not merely an informational tool; it is a mechanism of accountability. When companies are required to disclose their risk factors, their executive compensation structures,

their human capital practices, and their material non-financial exposures, they subject management decisions to public scrutiny. Investors, analysts, journalists, employees, and other stakeholders can evaluate what management says against what management does. That accountability function depends on the availability of comparable, mandatory information across issuers. It cannot be replicated by voluntary disclosure, which is inherently selective, self-serving, and non-comparable. When that accountability breaks down, the costs fall directly on shareholders: capital is mispriced, governance failures go undetected until they become crises, and management is insulated from the discipline that mandatory disclosure is designed to impose.

The argument that reducing disclosure requirements will improve capital formation by reducing regulatory burden on issuers must be weighed against the costs borne by investors when disclosure is insufficient. Those costs are real and measurable: mispriced risk, uninformed voting, foregone engagement, and, ultimately, capital misallocation. The Commission's mandate requires it to weigh these costs—not simply to minimize the compliance burden on the companies whose disclosures it regulates.

Public confidence in the integrity of U.S. capital markets and in the institutions that govern corporate conduct is not high. Independent surveys consistently document significant skepticism among the American public about the accountability of large corporations.^[11] Against that backdrop, any rollback of disclosure requirements will be perceived—and, we believe, correctly understood—as a weakening of corporate accountability. The Commission has the opportunity, through this review, to strengthen the transparency that underpins market discipline. We urge it to take that opportunity seriously.

We also observe that the argument for reducing disclosure has not been advanced on the strength of demonstrated investor preference. The Commission has not pointed to evidence that investors—as opposed to issuers—believe current disclosure is excessive or that mandatory requirements should be curtailed. To the contrary, investor engagement in this very proceeding, as well as in prior rulemaking on executive compensation and climate risk, has consistently reflected substantial investor demand for more, not less, disclosure. The Commission should be attentive to which constituency is actually advocating for rollback and why.

V. Conclusion

The Commission stands at an important inflection point. The outcome of this review will shape the informational architecture of U.S. public markets for years to come. The Alliance respectfully submits that the Commission should approach this review with a clear-eyed commitment to the investors it was created to protect—not merely to the companies whose disclosures it regulates.

Disclosure of material risk factors, executive compensation, climate and physical risk, and human capital practices are not bureaucratic excess. They are investor-critical, market-relevant disclosures that informed capital allocation, prudent risk management, and effective corporate governance all depend upon. The Alliance urges the Commission to defend these disclosure baselines, to sharpen quality and specificity where guidance is warranted, and to firmly reject rollbacks that would leave investors with less information, less accountability, and less ability to perform the market discipline function that is central to the health of U.S. capital markets.

This is how private capital serves the public good—and how the integrity of our capital markets is preserved for the investors who depend upon them.

The Alliance thanks the Commission for the opportunity to submit these views and stands ready to provide any additional information or analysis that would be helpful to the staff in its review of Regulation S-K.

Respectfully submitted,

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^[1] The Alliance uses 'reasonable investor' in the sense established by *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438 (1976), and *Basic Inc. v. Levinson*, 485 U.S. 224 (1988) — an investor who makes investment and voting decisions based on a total mix of information, including the long-term financial consequences of systemic risk factors."

^[2] *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 448-49 (1976).

^[3] John C. Coffee Jr., *Market Failure and the Economic Case for a Mandatory Disclosure System*, 70 Va. L. Rev. 717 (1984). Available at: https://scholarship.law.columbia.edu/faculty_scholarship/536

^[4] SEC Investor Advisory Committee, *Recommendation of the Investor Advisory Committee Regarding Human Capital Management Disclosure* (Sept. 21, 2023), available at <https://www.sec.gov/files/spotlight/iac/20230921-recommendation-regarding-hcm.pdf>

^[5] See generally *The Shareholder Commons, Complaint re: Diversified Investor Standing* (Oct. 3, 2022), available at <https://theshareholdercommons.com/wp-content/uploads/2022/10/Stamped-Complaint-FINAL-10.3.22.pdf>

^[6] *Modernization of Regulation S-K Items 101, 103, and 105*, Release Nos. 33-10825; 34-89670 (Aug. 26, 2020). For an assessment of the reform's effects on risk factor length, see Harvard Law School Forum on Corporate Governance, *SEC Risk Factor Disclosure Rules* (Dec. 22, 2021) <https://corpov.law.harvard.edu/2021/12/22/sec-risk-factor-disclosure-rules/> (finding that overall length increased for many large companies following the amendment).

^[7] 17 C.F.R. § 229.105 (requiring that risk factors be “specific to the particular company or offering” and discouraging “generic risk factors” that “could apply to any registrant or any offering”).

^[8] Nature, “A study of impact of climate change on the U.S. stock market as exemplified by the NASDAQ 100 index constituents”, <https://www.nature.com/articles/s41598-024-66109-7>, July 5, 2024

^[9] Los Angeles Times, “Estimated cost of fire damage balloons to more than \$250 billion,” <https://www.latimes.com/business/story/2025-01-24/estimated-cost-of-fire-damage-balloons-to-more-than-250-billion>, January 24, 2025.

^[10] ImpactAlpha, “Corporations’ new era of ‘management primacy’ undermines shareholders and other stakeholders”, <https://impactalpha.com/corporations-new-era-of-management-primacy-undermines-shareholders-and-other-stakeholders/>, December 7, 2025

^[11] See, e.g., Gallup, “Confidence in Institutions Mostly Flat,” 2024, available at <https://news.gallup.com/poll/647303/confidence-institutions-mostly-flat-poll.aspx>