



April 13, 2026

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: CLL-15 Comments to Regulation S-K

Dear Secretary Countryman,

On behalf of the US Sustainable Investment Forum (US SIF), I am pleased to submit the following recommendations to the Commission on reforming Regulation S-K.

US SIF is a membership organization representing 173 investor firms and trillions of dollars of assets under management. Our members represent investors throughout the capital markets value chain—from asset managers, managing billions in retirement dollars for average Americans, to data providers, financial advisors, and community development financial institutions, supporting local economies.

The SEC has indicated its intent to initiate a rulemaking to reform Regulation S-K. Since first writing to the SEC about disclosure in 2009, US SIF has recommended a consistent, comprehensive, and comparable disclosure framework.ⁱ In this letter, we present each aspect of this quintessential framework for investors, and we provide examples of financially material disclosures that investors actively use and consider in order to meet their fiduciary duty to their clients.

Consistent Data

Mapping the trends and performance of a company over time is vital to investors, which is why investors require consistent, reliable data. Year-over-year data enables investors to validate companies' commitments and progress, providing a reliable foundation for future investment and company engagement.

Frequent changes in reporting methods impact the ability of investors to accurately assess companies. Alongside the need for data, investors require an understanding of the methodology companies use to reach these conclusions.

Disclosures at the federal level ensure a stable framework and an accessible database for all investors.

Comprehensive Data

One of the key principles to free and efficient markets is the free flow of information. Investors require transparency from corporations to accurately assess risks and opportunities across their portfolio, to conduct price discovery, to determine where to direct capital, and to decide how to vote on critical issues including director elections, shareholder proposals, say-on-pay, and mergers and acquisitions.

Regulation S-K's qualitative non-Generally Accepted Accounting Principles (non-GAAP) disclosures provide key context to investors on the long-term viability of their portfolio companies.

Company disclosures are not meant to be isolated by topic; rather, they contribute to the full picture of a company's profile. When there are gaps in disclosures, investors have a harder time interpreting all other information. Rather than complaining of "information overload," investors actually spend a substantial amount on gathering data from private data brokers to fill in the gaps of company disclosures.

The Supreme Court defined materiality in *TSC Industries v. Northway* (1976) as when there is "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the *reasonable investor* as having significantly altered the 'total mix' of information made available."ⁱⁱ The ability to determine which information is material lies with *the investor*, not with the issuer.

Our capital markets are driven by the competitive edge investors gain from the assessment and modeling of the same information. Inherently, the information one investor finds non-material may be seen as material by another investor considering other factors within the company's profile.

In addition, due to the evolving nature of markets, the factors that investors deem material also change over time. For example, a couple decades ago, investors were not concerned with how a company handles AI governance. Today, however, investors are increasingly assessing whether a company has board level expertise on AI and privacy risk plans.

Thus, US SIF strongly encourages the SEC to maintain a comprehensive and thorough disclosure framework through Reg S-K.

In an age of increasingly sophisticated artificial intelligence, compiling vast amounts of information is becoming increasingly more efficient. As the SEC moves to "modernize"

Regulation S-K, we recommend the Commission to consider the usefulness of artificial intelligence to both issuers and investors when composing and synthesizing disclosures.

Comparable Data

The standardization of disclosures across companies is invaluable to investors when building their portfolios. Comparing apples to apples across parameters is a much more efficient system that serves investors of all sizes.

Arguments for disclosure reform often focus on this idea of “information overload” for investors. However, we argue that the issue with the current framework is not the amount of information that investors are provided with. In fact, investors consistently call for more information through rulemaking requests, regulatory comments, shareholder proposals, and company engagements. Rather, the issue is that this information spans conflicting frameworks.

Financial markets are global and the United States must lead on disclosure standards. The SEC should strive to be consistent with other jurisdictions who are standardizing non-GAAP financial disclosures. Both issuers and investors will benefit from the interoperability of disclosures through reduced costs, increased transparency, and enhanced credibility of disclosures.

There are a range of voluntary standards that have been created through the collaboration of issuers and investors on material issues. A few international standards that have seen vast adoption across global markets are:

- International Sustainability Standards Board (ISSB)
 - Task Force on Climate-Related Financial Disclosure (TCFD) and the Sustainability Accounting Standards (SASB), which have both been absorbed by ISSB
- The Carbon Disclosure Project (CDP)
- Global Reporting Initiative (GRI)
- The Taskforce on Nature-related Financial Disclosures (TNFD)
- The United Nations (UN) Global Compact

Voluntary reporting frameworks are valuable but, nonetheless, insufficient in regard to the nature, timing, comparability, and extent of the reports. Voluntary reports create significant data gaps, especially among medium- and small-sized companies.

US SIF supports the SEC in maintaining a federal level disclosure framework that assures data is comparable across companies for all parameters.

Fulfilling Investors' Fiduciary Duty

Under the Investment Advisors Act of 1940, investor advisors are obligated to meet their fiduciary duty by “act[ing] in the best interest of the customer” over their own interests through a duty of loyalty and a duty of care. Any absence of information from companies makes it increasingly difficult for investment advisors to fulfill their fiduciary duties, as investors lack the comprehensive, comparable, and consistent data as outlined above. When clients voice an interest in investing in their values and aligning their investment with core sustainability principles, investment advisors have a fiduciary duty to meet this mandate.

US SIF and its members support a broad range of environmental, social, and governance issues to be maintained and included in revisions to Reg S-K. The breadth of investors in the United States who are incorporating ESG factors into investment decisions extends well beyond US SIF members. The US SIF Foundation's [*US Sustainable Investing Trends 2025/2026 Report*](#) found that there were \$6.6 trillion (11% of the US market) US-domiciled assets under management using sustainable investment strategies and \$42.7 trillion (69% of the US market) is covered by a stewardship policy.ⁱⁱⁱ

Investors currently are incorporating a wide array of disclosures in their investment decision-making, stemming from an array of voluntary and mandatory reporting regimes. These frameworks have all evolved out of transparent, ongoing, multi-stakeholder dialogues that include hundreds of businesses, labor unions, civil society organizations, colleges and universities, multilateral institutions, and government departments. Here is a list of non-GAAP financially material disclosures that investors regularly consult in their investment decisions:

Governance:

- Market presence: ratios of standard entry level wage by gender compared to local minimum wage; proportion of senior management hired from the local community; standard entry level wage by gender compared to local minimum wage; proportion of senior management hired from the local community;
- Indirect economic impacts: infrastructure investments and services supported; significant indirect economic impacts;
- Procurement practices: proportion of spending on local suppliers;
- Anti-corruption: operations assessed for risks related to corruption; communication and training about anti-corruption policies and procedures; confirmed incidents of corruption and actions taken;
- Anti-competitive behavior: legal actions for anti-competitive behavior, anti-trust, and monopoly practices;
- Tax: approach to tax; tax governance, control, and risk management; stakeholder engagement and management of concerns related to tax; country-by-country reporting;

Environmental:

- Biodiversity: policies to halt and reverse biodiversity loss; management of biodiversity impacts; access and benefit-sharing; identification of biodiversity impacts; locations with biodiversity impacts; direct drivers of biodiversity loss; changes to the state of biodiversity; ecosystem services;
- Climate change: transition plan for climate change mitigation, climate change adaptation plan; just transition; GHG emissions reduction targets and progress; Scope 1, 2, and 3 GHG emissions; GHG emissions intensity; GHG removals in the value chain; carbon credits;
- Energy: energy policies and commitments; energy consumption and self-generation within the organization; upstream and downstream energy consumption; energy intensity; reduction in energy consumption;
- Materials: materials used by weight and volume; recycled input materials used; reclaimed products and their packaging materials;
- Water and effluent: interactions with water as a shared resource; management of water discharge-related impacts; water withdrawal; water discharge; water consumption;
- Waste: waste generation and significant waste-related impacts; management of significant waste-related impacts; waste generated; waste diverted from disposal; waste directed to disposal;
- Supplier environmental assessment: new suppliers that were screened using environmental criteria; negative environmental impacts in the supply chain and actions taken;

Workforce and social:

- Employment: new employee hires and employee turnover; benefits provided to full-time employees that are not provided to temporary or part-time employees; parental leave;
- Labor and management relations: minimum notice periods regarding operational changes
- Occupational health and safety: occupational health and safety management system; hazard identification, risk assessment, and incident investigation; occupational health services; worker participation, consultation, and communication on occupational health and safety; worker training on occupational health and safety; promotion of worker health; prevention and mitigation of occupational health and safety impacts directly linked by business relationships; workers covered by an occupational health and safety management system; work-related injuries; work-related ill health;
- Training and education: average hours of training per year per employee; programs for upgrading employee skills and transition assistance programs; percentage of employees receiving regular performance and career development reviews;
- Diversity and equal opportunities: diversity of governance bodies and employees; ratio of basic salary and remuneration of women to men;
- Non-discrimination: incidents of discrimination and corrective actions taken;

- Freedom of association and collective bargaining: operations and suppliers in which the right to freedom of association and collective bargaining may be at risk;
- Child labor: operations and suppliers at significant risk for incidents of child labor;
- Forced or compulsory labor: operations and suppliers at significant risk for incidents of forced or compulsory labor;
- Security practices: security personnel trained in human rights policies or procedures;
- Rights of Indigenous peoples: incidents of violations involving rights of Indigenous peoples;
- Local communities: operations with local community engagement, impact assessments, and development programs; operations with significant actual and potential negative impacts on local communities;
- Supplier social assessment: New suppliers that were screened using social criteria; negative social impacts in the supply chain and actions taken;
- Public policy: political contributions;
- Customer health and safety: assessment of the health and safety impacts of product and service categories; incidents of non-compliance concerning the health and safety impacts of products and services;
- Marketing and labeling: requirements for product and service information and labeling; incidents of non-compliance concerning product and service information and labeling; incidents of non-compliance concerning marketing communications;
- Customary privacy: substantiated complaints concerning breaches of customer privacy and losses of customer data;

We suggest that the SEC consult other mandatory and voluntary disclosure frameworks while reforming Regulation S-K, to ensure that the revisions provide investors with consistent, comprehensive, and comparable information.

While these are some examples of prescriptive disclosures, it may be appropriate in some instances to grant issuers the flexibility to report disclosures in a way that is both specific and meaningful to the company.

Thank you for considering these comments. Do not hesitate to let us know if we can be of further assistance.

Sincerely,

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ⁱ US SIF letter to SEC calling for ESG disclosure (July 21, 2009)

https://www.ussif.org/files/Public_Policy/Comment_Letters/SIF_SEC_ESG_Disclosure_Policy_Letter_and_Submission%2008142009.pdf

ⁱⁱ *TSC Industries v. Northway* (1976), <https://supreme.justia.com/cases/federal/us/426/438/>.

ⁱⁱⁱ The 2025/2026 Trends report defines stewardship as “The use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including common economic, social and environmental assets on which their interests depend. This involves direct engagement meetings in person or digital, proxy voting and shareholder resolutions as well as indirect engagement via key stakeholders.