



April 13, 2026

Via SEC's Internet Submission Form

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090
rule-comments@sec.gov

Re: Statement on Reforming Regulation S-K (File No. CLL-15)

Dear Secretary Countryman:

Environmental Defense Fund (“EDF”) respectfully submits the following comments to the Securities and Exchange Commission (“SEC”) in response to its request for feedback regarding its review of Regulation S-K (“Reg S-K”). EDF is a non-profit non-partisan organization with more than 2.5 million members nationwide and a staff of scientists, economists, policy experts, and other professionals. EDF works to strengthen people’s ability to thrive in a changing climate and has long sought to improve disclosure and understanding of climate-related risks. The documents cited to and relied on in these comments are hereby incorporated by reference as part of the rulemaking record.

Chairman Atkins’ *Statement on Reforming Regulation S-K* (the “Statement”) on January 13, 2026 criticizes the extent of Reg S-K disclosures and expresses that the agency intends to revise current Reg S-K requirements to avoid compelling the disclosure of immaterial information.¹ EDF urges the SEC to consider: (1) the importance of standardized disclosures to investors, in particular climate-related disclosures; (2) the proper role of the principle of materiality; and (3) that “information overload” is not a significant concern in the existing disclosure regime. Reg S-K standards play a critical role in providing investors with consistent, comparable, and reliable information, including on climate-related risks. In the face of unprecedented climate change impacts, which will continue to profoundly and increasingly affect every economic sector, the SEC should not weaken disclosure requirements that help investors assess these material risks.

¹ Paul S. Atkins, SEC Chairman, *Statement on Reforming Regulation S-K* (Jan. 13, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326>.

1. The Importance of Standardized Disclosures to Investors, In Particular Climate-Related Disclosures

Reg S-K ensures that registrants provide essential disclosures to investors who need more information, not less, to make sound investment decisions in an increasingly complex world. In fact, investors today spend significant resources on private data brokers to fill in gaps in company disclosures.² Former SEC Commissioner Allison Herren Lee emphasized this point in a 2022 statement, noting that investors need “decision-useful information about financial stressors into the markets” and the SEC has “a responsibility to help ensure that investors have the information they need to accurately price risk and allocate capital as they see fit.”³ Investors have sought more and better information on emerging risks through rulemaking requests, regulatory comments, shareholder proposals, and other engagements with companies.

Reg S-K items 1500-1508⁴ set forth requirements for companies to disclose climate-related risks that have or are reasonably likely to have a material impact on their business strategy, results of operations, or financial condition. These regulations are designed to provide investors with more consistent, comparable, and reliable information about how climate-related risks affect a registrant’s operations and factor into its business strategy and financial plan.⁵ The SEC adopted these vital standards in 2024 following decades of investor demand, the development and widespread use of voluntary climate risk disclosure frameworks, and an extensive public engagement process.

Climate-related risks can affect a company’s business activities and its current and longer-term financial performance by damaging assets, disrupting operations, and increasing costs. Additionally, as society responds to climate change, including by shifting to lower-carbon products, practices, and services, companies experience transition risks or opportunities depending on the readiness of their business models and strategies, which can have a material impact on their financial condition. To enable investor assessment of climate-related risks, it is essential to preserve channels that provide information on how registrants are measuring and responding to such risks. Without appropriate disclosures, experts have warned that a “climate bubble” could form, which, upon bursting, could send significant shockwaves through the economy.⁶ The SEC’s Reg S-K items on climate risk disclosure are essential to protecting Americans’ financial security from the effects of climate change.

2. The Proper Role of the Principle of Materiality

In the Statement, Chairman Atkins claims that “the disclosure that companies provide in response to the myriad requirements of Regulation S-K does not always reflect information that a reasonable investor would consider important in making an investment or voting decision” and

² See, e.g., LGIM America Comment Letter to SEC at 2-3 (May 31, 2022), <https://www.sec.gov/comments/s7-10-22/s71022-20129965-296443.pdf>.

³ Allison Herren Lee, Former SEC Chairman, *Shelter from the Storm: Helping Investors Navigate Climate Change Risk*, (Mar. 21, 2022), <https://www.sec.gov/newsroom/speeches-statements/lee-climate-disclosure-20220321>.

⁴ The Enhancement and Standardization of Climate-Related Disclosures for Investors, 89 Fed. Reg. 21,668 (Mar. 28, 2024).

⁵ *Id.*

⁶ Rostin Behnam, Comm’r, Commodity Futures Trading Comm’n, Opening Statement of Commissioner Rostin Behnam Before the Market Risk Advisory Committee (June 12, 2019), <https://perma.cc/C37G-497S>.

notes a specific intention to “amend Regulation S-K, with the goal of revising the requirements to focus on eliciting disclosure of material information and avoid compelling the disclosure of immaterial information.”⁷

EDF notes that

Further, the statutes authorizing the SEC to set disclosure standards do not limit it to standards that “always” result in material information. The ability to compare disclosures across issuers is an essential tool for investor decision-making. In asserting an intention to revise Reg S-K to elicit *only* “material information” from issuers, the SEC could impair the comparability of important information for investors.

Finally, as the Supreme Court explained in *TSC Industries, Inc. v. Northway*, materiality focuses on what *investors* find important, not issuers.⁸ The Court determined that information was material if there was 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.”⁹ Replacing standardized, market-wide disclosure requirements with more open-ended, ad hoc requirements subject to issuer-determined materiality thresholds would undermine comparability and harm investor decision-making. The SEC has, and frequently exercises, authority to require standardized disclosures on a categorical basis even though some individual items of information subject to the requirements may not be financially material for some companies.¹⁰

3. Information Overload is Not a Significant Concern in the Current Disclosure Regime

Information overload is not a significant concern in the SEC’s current regime for several reasons. First, investors themselves affirm the need for more information than Reg S-K currently requires. Investor demand for additional information on climate risk – including strong support for the SEC’s climate risk disclosure rule – illustrates this gap clearly. One study found that of 439 large institutional investors, 79% believed climate-risk reporting was as important as other types of financial reporting, with 28% saying it was more important.¹¹ The widespread failure of existing disclosures to provide investors with useable emissions and climate-risk information leads markets to misprice assets. According to a 2024 survey on institutional investors, “The world’s largest investors overwhelmingly believe that climate change will impact portfolios, but do not think climate risks are fully reflected in asset prices.”¹² Investors are spending significant resources on private data brokers to fill in these gaps in company disclosures.¹³

⁷ Paul S. Atkins, SEC Chairman, *Statement on Reforming Regulation S-K*, SEC (Jan. 13, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-statement-reforming-regulation-s-k-011326>.

⁸ 426 U.S. 438, 449 (1976); *see also Basic Inc. v. Levinson*, 485 U.S. 224 (1988).

⁹ *Id.* (emphasis added).

¹⁰ E.g., 17 C.F.R. § 229.402, item 402 of regulation on executive compensation; 17 C.F.R. § 229.404, item 404 on related party transactions; 17 CFR § 229.103 on environmental enforcement proceedings.

¹¹ Emirhan Ilhan, *Climate Risk Disclosure and Institutional Investors*, 36 Rev. Fin. Stud. 2617, 2619 (2023)

¹² *Id.*

¹³ *Id.*

Second, the Chairman's stated goal of improving utility of reports by reducing the amount of disclosure ignores the role of technology. Investors do not need to read disclosures cover to cover for the information disclosed to be useful. Investors can focus on the disclosures that matter most to them and can easily extract the information they need as much of the disclosure is now tagged.

Finally, even investors who do not themselves access disclosures benefit from the more accurate pricing of a better-informed market. Investors include anyone with a 401(k), pension, or other savings in the stock market. The financial security of American workers and retirees depends upon the SEC continuing to improve the consistency, comparability, and reliability of corporate climate risk disclosures.

* * *

We thank the SEC for its consideration of these comments. We urge the SEC to maintain current Reg S-K items, in particular those requiring climate risk disclosures, which play an essential role in upholding the SEC's mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

Respectfully submitted,

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