



September 24, 2014

Mary Jo White
Chair

Keith Higgins
Director, Corporation Finance Division
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Disclosure Effectiveness Review

Dear Chair White and Mr. Higgins:

As the U.S. Securities and Exchange Commission conducts its disclosure effectiveness review, I am writing to share comments and insights on behalf of the members of the nation's oldest and largest coalition of active investors, known as the Interfaith Center on Corporate Responsibility (ICCR). We welcome the opportunity to comment on the ongoing review of disclosure undertaken by your agency following the Commission-issued staff report to Congress on its disclosure rules for US public companies, and to support and amplify many of the insights brought forward in comments submitted by organizations such as US SIF: The Forum for Sustainable and Responsible Investment. ICCR is a long-standing member of US SIF, the membership association of investment firms and financial professionals engaged in sustainable, responsible and impact investing.

The report, mandated by the Jumpstart Our Business Startups (JOBS) Act, offered an overview of Regulation S-K, which provides requirements for public company disclosure and the staff's preliminary conclusions and recommendations about disclosure reform. Our intention is to build on those preliminary recommendations as the Division of Corporation Finance reviews the disclosure requirements in Regulation S-K and Regulation S-X, which provides requirements for financial statements.

As investors in publicly traded corporations, we have consistently supported efforts to strengthen disclosure and improve investor access. Founded in 1971, ICCR is a forty three-year-old international coalition of over 300 faith-and-values-based institutional investors including denominations, religious communities, pension funds, healthcare corporations, foundations and dioceses with combined portfolios worth well in excess of \$100 billion. More information is available at www.iccr.org. As responsible stewards, our membership has been actively involved in integrating environmental, social and governance issues into our investment decisions, as directed by our member organizations and the investors and beneficiaries they represent.

We share many of the key priorities of previous comments, including **enhanced reporting of corporate environmental, social and governance (ESG) information**. There is increasing demand from investors for corporate sustainability reporting, and many organizations and investment firms strongly support such disclosure. Additionally, we recognize a wide range of endorsers of principles such as PRI and CDP, formerly the Carbon Disclosure Project, are urging companies to disclose greenhouse gas goals and plans to reduce emissions.

Our members frequently participate in SEC roundtable meetings and Sunshine Act hearings. We view the role of engaged shareholders as an important aspect of the civic infrastructure, making significant contributions to the ongoing dialogue regarding the role of corporations in global wealth creation. We will not support any weakening of disclosure requirements. In fact, one of the key priorities for ICCR members is enhanced reporting of corporate environmental social and governance (ESG) information. Throughout our history, our members have consistently engaged with the SEC in support of appropriate disclosure and mechanisms to improve both corporate reporting process and investor access to information reported. Our members have worked with public companies, participating in thousands of disclosure requests since our founding. Both our corporate engagement partners and the investors we represent have benefited from these efforts which have contributed to a better understanding of material risk and improved models for enterprise value creation.

This letter offers comments on several issues highlighted in the Disclosure Effectiveness Review; however, our primary concern is that this process does not result in a weakening or a rollback of corporate disclosure. We believe there needs to be more robust and effective disclosure, not less disclosure.

In 2009, ICCR and its members joined many others in requesting that the SEC mandate corporate environmental, social and governance disclosure and that the Commission make ESG or “sustainability” reporting a top priority. We appreciate the opportunity to weigh in on— and help improve— the effectiveness of the disclosure system, an important issue for both investors and the public.

Objective of the Disclosure Effectiveness Review (hereinafter, “the Review”)

The Report on Review of Disclosure Requirements in Regulation S-K submitted by the Corporation Finance staff stated that *“The goal is to comprehensively review the requirements and make recommendations on how to update them to facilitate timely, material disclosure by companies and shareholders’ access to that information.”*¹ We agree that a comprehensive approach that includes “reviewing and updating requirements on a wholesale basis, taking into account the appropriateness of substantive requirements as a whole as well as presentation and delivery issues,” is preferable to a targeted approach.²

However, in support of more detailed comments provided by the US SIF, we offer the following broad comments regarding the objective of this Review:

In the Report, the Commission identified several specific areas of Regulation S-K that could benefit from review. The following are areas of particular interest to the members of ICCR:

- 1. Risk-related requirements including those related to Climate Change**
- 2. Risk-related requirements including Corporate Political Spending and Lobbying Disclosure**
- 3. Requirements relating to a registrant’s business and operations**
- 4. Corporate governance disclosure requirements**
- 5. Executive Compensation requirements**
- 6. Other General Requirements included in Item 10;**

¹ “Disclosure Effectiveness,” US Securities and Exchange Commission, accessed August 27, 2014, <https://www.sec.gov/spotlight/disclosure-effectiveness.shtml>.

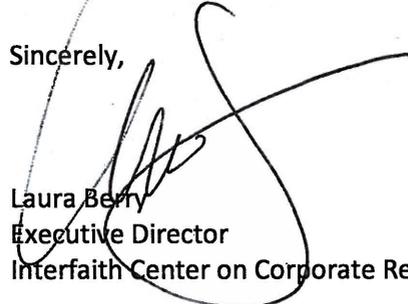
² Securities and Exchange Commission, *Report on Review of Disclosure Requirements on Regulation S-K* (2013), 95–96.

Including our support of the recommendation that Form 8-K be amended to require issuers to break out proxy voting results to eliminate shares controlled by management in order to allow investors to easily determine the actual level of support for proposals by independent shareholders.

Conclusion

Thank you for taking our views into consideration and for the opportunity to comment. If you have any questions regarding the contents of this letter, please contact me at [REDACTED] or [REDACTED].

Sincerely,



Laura Berry
Executive Director
Interfaith Center on Corporate Responsibility

LB/kcc

cc: US SIF: The Forum for Sustainable and Responsible Investment
Rick Fleming, Office of Investor Advocate, SEC