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Brent J. Fields, Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: SEC Concept Release: Business and Financial Disclosure Required by Regulation S-K

Dear Secretary Fields,

I am heartened that the Securities Exchange Commission has focused on key questions of sustainability -- in particular on climate change -- in Releases No. 33-10064 and No. 34-77599 on Regulation S-K provisions applicable to U.S. reporting companies. I write to comment in support of strong standards for material climate related disclosure. Climate risk is more pressing everyday and investors have the right to know how climate change can impact their investment decisions.

For over 25 years, I managed a fund that held many billions of dollars in publicly-traded equities. As investors, we relied heavily on corporate disclosures in our ongoing analysis.

Currently, I co-chair the Risky Business Project with Michael Bloomberg and Hank Paulson. Through paired scientific and economic modeling, the Risky Business Project has demonstrated how climate change poses significant physical risks to the American economy. These diverse risks manifest themselves unevenly across most sectors of the economy and regions of the United States and include decreased labor productivity, sea level rise and property loss, declining crop yields, supply chain uncertainty, increases in energy demand, and increased energy supply volatility.

Climate change is the most diverse and pervasive form of ESG risk to investors and companies. According to the Sustainability Accounting Standards Board (SASB), climate change is likely to have material financial impacts on companies in 72 of 79 industries, representing 93% of the U.S. equity market, or $33.8 trillion in assets. Yet only 12% of U.S. reporting companies have disclosed this risk.

In 2010, the SEC issued guidance on the materiality of climate risks which covered risks associated with legislation and regulation related to climate change and its physical impacts, including floods and droughts. The 2010 interpretive guidance on climate change-related disclosure was a good start, but more is needed. The Commission should require *mandatory* disclosure via industry-specific metrics of the material effects of climate change on issuers.

Without mandatory disclosure requirements, most companies are not presenting useful, comparable information for investors. In the absence of strong industry-specific accounting metrics, the SEC 2010 guidance has resulted in the proliferation of boilerplate language, effectively adding to the volume of immaterial information through with investors are asked to sift.

There is a better way: thorough industry-specific risk assessments can identify and describe material climate risk to a particular company. Uniform disclosure standards will level the playing field for companies because with a uniform standard, performance can be benchmarked within an industry, thus allowing investors to reward top performers and to push laggards toward better risk management. Uniform standards will reduce the burden of disclosure for companies overall, while increasing the quality of information available to investors. This kind of clear, comparable, material information markedly improves investors' ability to manage risk.

With thorough stakeholder input and review, SASB has designed industry-specific peer-reviewed standards that delineate the different forms of material financial risk related to climate change. By this reference, I hereby incorporate SASB's July 1, 2016 comment to the SEC as a technical addendum to this letter. The guiding vision for SASB is that metrics be useful to investors and companies, thus fulfilling the SEC's aim within Regulation S-K to provide investors with the information they need to make sound investment decisions.

In addition to the industry-specific uniform accounting metrics, companies should be required to disclose contributions to climate denying organizations and elected officials. To contribute toward such misinformation campaigns is a management decision to control climate risk not through better performance, but through deception. To an investor, that demonstrates that a company has determined that climate is a material risk, yet is not acting in good faith to remedy that risk. Instead, such contributions attempt to sweep the risk under the carpet and pull a blind shade over investors' eyes.

I am regularly briefed on the latest scientific knowledge on climate change, advances in the clean energy policy landscape, the financial impacts of climate, and risk mitigation strategy. Two things are certain: that climate change is occurring now, faster and stronger than expected, and that we have the solutions to mitigate this risk. Prudent companies, and the diligent investors who fund them, will analyze how climate risk impacts their bottom line and act to mitigate that risk. Mandatory disclosure will drive transparency and efficacy of sustainability performance across industries and sectors.

I recommend that the SEC mandate comprehensive, standardized disclosure of material information on climate change risks for public companies, as well as of climate-denying political and organizational corporate giving. Such action will strengthen business competitiveness and spur innovation while addressing one of the key issues of our time: climate change. Investors have the right to be informed of material climate risks – a rigorously enforced market standard for climate risk disclosure in SEC filings would make this information available to all investors.

Thank you for your consideration of these comments.
Sincerely,

Thomas F. Steyer