the
SUSTAINABILITY
GROUP
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July 21, 2016

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE,
Washington, DC 20549-1090.

Via email to rule-comments@sec.gov

Re: File Number S7-06-16 - Regulation S-K Comment Release on Business and Financial Disclosure Required by Regulation S-K

Dear Mr. Fields:

I am writing on behalf of The Sustainability Group of Loring, Wolcott & Coolidge (the "Sustainability Group")[i] to encourage the SEC to establish thorough reporting on sustainability-related issues for all publicly traded companies.

Founded nearly 30 years ago by industry pioneer Amy Domini, the Sustainability Group now manages over $1.5 billion in assets for high net worth families and foundations. We offer these clients a broad range of services. However, there are three critical components of our work that directly relate to the topic at hand: 1) We attempt to provide competitive long-term returns while simultaneously aligning investments with our clients' values and principles; 2) We work directly with the management teams of the companies in which we invest in hopes of helping them enhance environmental stewardship, reduce negative social outcomes, and improve corporate governance; and 3) We vote the proxies for the vast majority of our clients. In order for us to do this work effectively, we depend on reliable environmental, social, and governance ("ESG") information.

We are not alone in our integration of ESG considerations into our decision-making process. According to USSIF: The Forum for Sustainable and Responsible Investment, investors using sustainable, responsible and impact investing ("SRI") strategies, currently "account for more than one out of every six dollars under professional management in the United States." It is important to note that much of the recent growth of this investment strategy is coming from "traditional" investors who increasingly acknowledge the link between material ESG factors and long-term financial performance.

Relative to 30 years ago, there is an abundance of ESG data available today. However, because this information is being provided by companies on a voluntary and unregulated basis, it tends to be inconsistent, disparate, and difficult to find. As a result, the process of accessing and normalizing data so that it is comparable from period-to-period and company-to-company is highly inefficient. For these reasons, the SEC should mandate a uniform reporting framework that includes specific, material ESG issues for all registrants.

We would like to address some of the specific questions raised in the SEC Concept Release 33-10064; 34-77559; File No. S7-06-16:

216. Are there specific sustainability or public policy issues that are important to informed voting and investment decisions? If so, what are they? If we were to adopt specific disclosure requirements involving sustainability or public policy issues, how could our rules elicit meaningful disclosure on such issues? How could we create a disclosure framework that would be flexible enough to address such issues as they evolve over time? Alternatively, what additional Commission or staff guidance, if any, would be necessary to elicit meaningful disclosure on such issues?

We acknowledge that the number of sustainability or public policy issues where individual investors may seek increased disclosure is nearly limitless. However, there are two specific issues that warrant immediate, universal, and mandatory disclosure: political and lobbying spending and greenhouse gas ("GHG") emissions. While there are other climate and social issues, such as water usage and compensation that warrant mandatory reporting, we view political/lobbying spending and GHG emissions as the most critical.

Political and Lobbying Spending:

- In the wake of the Supreme Court's 2010 decision in Citizens United v. Federal Election Commission case, it is imperative that shareholders have access to registrants' political and lobbying spending data. At a minimum, because such spending is made with corporate treasury funds, shareholders have the right to know where their money is going.

- Demand for transparency around political spending is non-partisan.

- We understand that the SEC has received a record number of public comments calling for increased mandatory disclosure around political spending and lobbying.

Greenhouse Gas Emissions:

- Anthropogenic climate change has emerged as the defining challenge of our generation. Based on a growing body of scientific evidence, corporations are now faced with the enormous task of decoupling GHG emissions and economic growth. Companies that do not meet this task will likely suffer financial consequences. For this reason, we believe the importance of mandatory reporting is evident.

- Climate change is exacerbating a large number of related risks, ranging from sea level rise, to water scarcity, to social inequity. Without comprehensive disclosure around how companies are mitigating their direct carbon footprint and managing their broader climate-related risks, investors cannot be assured these risks are being adequately addressed.

- Currently, we are among the over 800 investors representing $95 trillion in assets under management that support voluntary disclosure of climate-related risks through the CDP. In light of this clear support from investors for increased climate disclosure, we believe the SEC should require companies to provide mandatory reporting on their climate risks.

Other Issues:

- We factor a large number of sustainability or public policy issues into our investment and proxy voting decisions. Other issues of notable importance include the following: racial and gender diversity at the board-, executive-, and workforce-level, corporate tax strategies, accurate effective tax rates, and supply chain management such as toxics, water, and labor issues.

218. Some registrants already provide information about ESG matters in sustainability or corporate social responsibility reports or on their websites. Corporate sustainability reports may also be available in databases aggregating such reports. Why do some registrants choose to provide sustainability information outside of their Commission filings? Is the information provided on company websites sufficient to address investor needs? What are the advantages and disadvantages of registrants providing such disclosure on their websites? How important to investors is integrated reporting, as opposed to separate financial and sustainability reporting? If we permitted registrants to use information on their websites to satisfy any ESG disclosure requirement, how would this affect the comparability and consistency of the disclosure?

While some companies do provide such information outside of their Commission filings, that information frequently does not address investor needs sufficiently. Investors require clear, consistent, comparable, complete, and reliable information. Without an externally imposed standard or reporting requirement/s, companies have full discretion over what information is disclosed and how it is presented. As a result, the information can be hard to find, take numerous forms, and/or may fail to provide the specific data points investors seek. Further, because such disclosures are voluntary, investors do not have the same assurances regarding accuracy as is inherent in securities filings.

To address these shortcomings and data gaps, we often directly engage with companies to encourage increased transparency. These engagements can often result in increased disclosure, but the process is highly inefficient, expensive, and does not result in the comprehensive, comparable, externally-verified information that investors demand.

We strongly support integrated reporting. To effectively manage sustainability risks, material ESG considerations must be fully integrated into a company's corporate strategy and performance. Integrating the reporting of the data related to these considerations into the traditional financial report would bolster that important connection.

221. What, if any, challenges would registrants face in preparing and providing this information? What would be the additional costs of complying with sustainability or public policy line-item disclosure requirements, including the administrative and compliance costs of preparing and disseminating disclosures, beyond the costs associated with current levels of disclosure? Please quantify costs and expected changes in costs where possible.

As the former chief sustainability officer of a publicly-traded company, I understand that reporting requirements of any kind can require significant resources. However, given the growing demand for this type of information from the general investing community, the growing body of academic work linking the management of material ESG issues to positive financial outcomes, and the broad, positive, social impact that reporting such information would likely bring about, we strongly believe that the benefits of such disclosure outweigh its costs.

223. In 2010, the Commission published an interpretive release to assist registrants in applying existing disclosure requirements to climate change matters. As part of the Disclosure Effectiveness Initiative, we received a number of comment letters suggesting that current climate change-related disclosures are insufficient. Are existing disclosure requirements adequate to elicit the information that would permit investors to evaluate material climate change risk? Why or why not? If not, what additional disclosure requirements or guidance would be appropriate to elicit that information?

We commend the Commission for its 2010 interpretive guidance and believe it was a very important first step. However, we – along with numerous other investors – believe execution and enforcement has been lacking. Further, since the interpretive guidance was issued, risks related to global climate change have increased. For these reason and others, comprehensive, specific disclosure requirements with increased enforcement is warranted.

We hope the Commission will consider these comments and thank you for the opportunity to provide them.

Sincerely,

Andy Mims
Partner and Trustee
The Sustainability Group of Loring, Wolcott & Coolidge

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[i] The Sustainability Group is a trade name of Loring, Wolcott & Coolidge Fiduciary Advisors, LLP. Loring, Wolcott & Coolidge Fiduciary Advisors, LLP is an investment adviser located in Massachusetts and registered with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940.