



**Good for the Economy.
Good for the Environment.**

July 21, 2016

The Honorable Mary Jo White
Chair
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

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

Dear Chair White,

As a national group of investors and business leaders, E2 members understand that climate change represents a material threat to the profitability of businesses and thereby to the investors who provide the capital to allow those businesses to prosper and grow. We appreciate that since 2010 the SEC has put in place a voluntary guidance for businesses to report on how climate change affects their operations. This model, however, needs improvement.

In order to help investors make the most informed decisions and contribute to the businesses they invest in through proxy and other voting mechanisms, we ask that the SEC strengthen its reporting guidance on climate change by requiring companies to include details about material sustainability risks in mandatory SEC filings.

Environmental Entrepreneurs (E2) is a national, nonpartisan group of business leaders who advocate for smart policies which drive innovation in business while protecting the environment. Our members have founded or funded more than 2,500 companies, created more than 600,000 jobs, and manage more than \$100 billion in venture and private equity capital.

Mandatory disclosure of material risks tied to climate change would provide a higher quality of guidance to investors far beyond what is currently available through the voluntary mechanism. The current guidance unfortunately provides little value due to a lack of standard reporting methods, a deficit of reported quantitative financial information, and often wide differences between the reporting of companies among sectors. Due to these factors, the involuntary guidance is seriously under-used and thus valuable information for investors on climate risk is not reported.

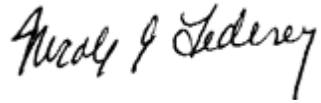
The effects of climate change, according to a study in the journal *Nature Climate Change* could result in financial losses of as much as \$24 trillion, or 16.9 percent of global financial assets by 2100. Though this scenario is far off – it represents a world of gradually increasing risks for business that must be disclosed so business models can adapt as needed.

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Again, E2 urges that the Commission put in place mandatory reporting guidelines that can provide more detailed and useful information for investors.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Lederer". The script is cursive and fluid.

Nicole Lederer
Chair and Co-Founder, Environmental Entrepreneurs

A handwritten signature in black ink, appearing to read "Bob Keefe". The script is cursive and fluid.

Bob Keefe
Executive Director, Environmental Entrepreneurs (E2)