TERRA ALPHA INVESTMENTS

Addendum to Letter - Specific Responses to SEC Climate Questions - File Number S7-10-22:

1.How can the Commission best regulate, monitor, review, and guide climate change disclosures in order to provide more consistent, comparable, and reliable information for investors while also providing greater clarity to registrants as to what is expected of them? Where and how should such disclosures be provided? Should any such disclosures be included in annual reports, other periodic filings, or otherwise be furnished?

A 1 - In order to provide more consistent, comparable, and reliable information for investors, while also providing greater clarity to registrants as to what is expected of them in terms of regulating, monitoring, reviewing, and guiding climate change disclosures:

1.a The Commission could provide more clarity for investors and registrants by ensuring that the same information about GHG emissions Scope 1, 2, and 3 are asked of all registrants regardless of industry or size, as well as their emissions reduction targets and plans to address them, and how they are prepared to address climate risk as outlined in the TCFD.

1.b & 1.c It is useful for investors if this information is disclosed publicly, included in financial filings and annual reports where investment professionals can find them with other pertinent information about the company operations and outlook.

2. What information related to climate risks can be quantified and measured? How are markets currently using quantified information? Are there specific metrics on which all registrants should report (such as, for example, scopes 1, 2, and 3 greenhouse gas emissions, and greenhouse gas reduction goals)? What quantified and measured information or metrics should be disclosed because it may be material to an investment or voting decision? Should disclosures be tiered or scaled based on the size and/or type of registrant)? If so, how? Should disclosures be phased in over time? If so, how? How are markets evaluating and pricing externalities of contributions to climate change? Do climate change related impacts affect the cost of capital, and if so, how and in what ways? How have registrants or investors analyzed risks and costs associated with climate change? What are registrants doing internally to evaluate or project climate scenarios, and what information from or about such internal evaluations should be disclosed to investors to inform investment and voting decisions? How does the absence or presence of robust carbon markets impact firms' analysis of the risks and costs associated with climate change?

A 2 Climate risk information is quantifiable and measurable.

2.a Currently, GHG emissions can be quantified and use the GHG Protocol as the standard protocol, and information on climate-related water risk (scarcity and flooding risk) is also quantifiable and measurable.

2.b Registrants should report GHG emissions Scope 1, 2, and 3, and reduction goals, ideally according to Science-based Targets protocol, as well as water audit information on water scarcity and flood risks, also with science-based protocols in development.

2.c Scope 1, 2, 3 GHG emissions and water categories are material risks for investors to evaluate for investment decision making as well as voting decision.

2.d In our opinion, a baseline expectation of climate-related disclosures (Scope 1,2,3 GHG emissions) should be asked for across the board regardless of size of a company - many

smaller companies fall into a larger company's Scope 3 universe. We have an intertwined economic system so the full breadth of companies disclosing is useful for investment decisions.
2.e The climate change crisis is in the present; a phase-in approach may be necessary but is not ideal.
2.f Markets need to evaluate climate change not as an externality, but as a present material risk to operations, that does affect the cost of capital particularly within an industry given differences of awareness and efforts to protect and plan for climate change.
2.g When registrants disclose to investors targets, the plans and the types of efforts anticipated to mitigate climate risks, this transparency helps investors raise confidence in the operations, and lowers the cost of capital for a company.
2.h A clear and robust carbon market would certainly make the risks and costs of climate change clearer for registrants and for investors.

3. What are the advantages and disadvantages of permitting investors, registrants, and other industry participants to develop disclosure standards mutually agreed by them? Should those standards satisfy minimum disclosure requirements established by the Commission? How should such a system work? What minimum disclosure requirements should the Commission establish if it were to allow industry-led disclosure standards? What level of granularity should be used to define industries (e.g., two-digit SIC, four-digit SIC, etc.)?
A 3. Collaboratively established disclosure standards have buy-in as their advantage. The disadvantage of mutually agreed standards is that compromise often leaves out some expectations of each party in reaching a middle ground of acceptability.
3.a Collaboratively established standards should meet minimum disclosure requirements set by the Commission to have disclosure of GHG emissions Scope 1,2,3 for all registrants.
3.b The minimum standards set by the Commission should be the emissions information proposed with that information disclosed in annual reports and SEC documents.
3.c As a minimum, the disclosure standards for any industry-led disclosure standard should include GHG emissions Scope 1, 2, and 3, and science-based targets and plans aligned with a 1.5 degree scenario.
3.d Setting standards and expectations that all companies comply with the disclosure eliminates the need for industry granularity. For further disclosure, the granularity of the industry definition as defined by two-four digit SIC could use industry categorizations already defined by SASB/Value Reporting Foundation.

4. What are the advantages and disadvantages of establishing different climate change reporting standards for different industries, such as the financial sector, oil and gas, transportation, etc.? How should any such industry-focused standards be developed and implemented?
A 4.a.As a minimum, the disclosure standards for all industries and companies should include GHG emissions Scope 1, 2, and 3, and science-based targets and plans alinged with a 1.5 degree scenario. Beyond this basic disclosure, information on TCFD alignment and greater details efforts to mitigate and to transition to renewable power can be more industry-specific and differentiation is helpful for both investors and companies. For example, banks have a unique

type of climate risk in their activities and it would be useful to have language that more specifically asks banks to disclosure on their products and services.
4.b Beyond the minimum expectations of GHG emissions Scope 1,2,3 and targets and plans aligned with a 1.5 degree scenario, a collaborative investor and company industry-focused standards could be effective, and using standards of disclosure that are already proposed internationally (SASB/Value Reporting Foundation/ISSB) should be incorporated.

5. What are the advantages and disadvantages of rules that incorporate or draw on existing frameworks, such as, for example, those developed by the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the Climate Disclosure Standards Board (CDSB)?[7] Are there any specific frameworks that the Commission should consider? If so, which frameworks and why?
A 5. The advantage of using existing frameworks is the buy-in already established. These noted are good ones to use - TCFD, SASB/Value Reporting Foundation/International Standards Board, CDSB.

6. How should any disclosure requirements be updated, improved, augmented, or otherwise changed over time? Should the Commission itself carry out these tasks, or should it adopt or identify criteria for identifying other organization(s) to do so? If the latter, what organization(s) should be responsible for doing so, and what role should the Commission play in governance or funding? Should the Commission designate a climate or ESG disclosure standard setter? If so, what should the characteristics of such a standard setter be? Is there an existing climate disclosure standard setter that the Commission should consider?
It seems prudent to use the GHG Protocol as an impartial standard setter, as well as the Science-based Targets initiative protocol. In addition, international coordination on disclosure such as drawing from the EU taxonomy seems useful for investors and companies.

7. What is the best approach for requiring climate-related disclosures? For example, should any such disclosures be incorporated into existing rules such as Regulation S-K or Regulation S-X, or should a new regulation devoted entirely to climate risks, opportunities, and impacts be promulgated? Should any such disclosures be filed with or furnished to the Commission?
A 7. Climate risks, opportunities, and impacts are material factors for companies and investors, and as such could be incorporated as part of existing regulation vs being collected in a new regulation. Climate-related disclosures should be filed/furnished with the Commision just as other material information.

8. How, if at all, should registrants disclose their internal governance and oversight of climate-related issues? For example, what are the advantages and disadvantages of requiring disclosure concerning the connection between executive or employee compensation and climate change risks and impacts?
A 8.a Providing disclosure of governance and oversight of climate-related issues gives an investor confidence and insight into the strategic and forward-looking capacity of company leadership.

8.b Providing disclosure that there is a connection between executive and employee compensation and climate change risks and impacts gives evidence that a company is factoring its significance into its operations. The specifics of how are not necessarily useful for an investor, but the knowledge of the connection or not, is material and useful.

9. What are the advantages and disadvantages of developing a single set of global standards applicable to companies around the world, including registrants under the Commission's rules, versus multiple standard setters and standards? If there were to be a single standard setter and set of standards, which one should it be? What are the advantages and disadvantages of establishing a minimum global set of standards as a baseline that individual jurisdictions could build on versus a comprehensive set of standards? If there are multiple standard setters, how can standards be aligned to enhance comparability and reliability? What should be the interaction between any global standard and Commission requirements? If the Commission were to endorse or incorporate a global standard, what are the advantages and disadvantages of having mandatory compliance?

A 9. Aligned standards globally would simplify reporting for registrants and expectations for investors. The disadvantage of any global standard is if a low bar of disclosure becomes the common denominator. A global minimum set of standards that included GHG emissions Scope 1,2,3 and (ideally science-based) targets and plans that align with a 1.5 degree scenario as well as alignment with the TCFD expectations would be a useful baseline for registrants and investors.

9a.If global standard setters could agree on the baseline of standards, and find an internationally endorsed body to be the standard setter, this seems most realistic vs choosing the EU or the US SEC to set comprehensive standards globally; an international body with stakeholder input could be an internationally accepted single standard setter source, such as the International Sustainability Standards Board (ISSB) - and could look to the the EU taxonomy effort, as well - as these are comprehensive standard-setting efforts that have had industry, investor and multiple stakeholder input to date.

9b. Getting a globally agreed, comprehensive set of standards would be ideal, but is worrisome in terms of the timing it could take when action is needed urgently. A minimum set of standards that included GHG emissions Scope 1,2,3 and (ideally science-based) targets and plans that align with a 1.5 degree scenario as well as alignment with the TCFD expectations would be a useful baseline for registrants and investors.

9c. Transparency on methodology would help enhance comparability and reliability of multiple standard setters.

9d. Global consultation and creating expectations that are as similar as possible globally will be useful in

9e. Mandatory compliance to disclosure of climate-related disclosure information would be advantageous in our increasingly interconnected economy.

10. How should disclosures under any such standards be enforced or assessed? For example, what are the advantages and disadvantages of making disclosures subject to audit or another form of assurance? If there is an audit or assurance process or requirement, what

organization(s) should perform such tasks? What relationship should the Commission or other existing bodies have to such tasks? What assurance framework should the Commission consider requiring or permitting?

A 10a. Disclosures around climate are material factors for investors to consider and should be enforced as other material information.

10b. Having some form of assurance of climate-related disclosures seems appropriate given the importance of the information.

10c. The assurance of climate-related disclosure could be performed by established audit firms, and third party impartial entities such as Science-based Targets Initiative could also verify or assure on their areas of focus.

11. Should the Commission consider other measures to ensure the reliability of climate-related disclosures? Should the Commission, for example, consider whether management's annual report on internal control over financial reporting and related requirements should be updated to ensure sufficient analysis of controls around climate reporting? Should the Commission consider requiring a certification by the CEO, CFO, or other corporate officer relating to climate disclosures?

A11. By requiring baseline climate-related disclosures as proposed for all companies regardless of size, the Commission is setting the standards, and any certification of a corporate officer seems to be something for a registrant's choice or not to do, and does not seem necesssary from our investor perspective.

12. What are the advantages and disadvantages of a "comply or explain" framework for climate change that would permit registrants to either comply with, or if they do not comply, explain why they have not complied with the disclosure rules? How should this work? Should "comply or explain" apply to all climate change disclosures or just select ones, and why?

A 12. As investors who consider climate-related disclosure as part of a company evaluation, we would prefer a 'comply and explain' to 'comply or explain' regarding climate change disclosures.

13. How should the Commission craft rules that elicit meaningful discussion of the registrant's views on its climate-related risks and opportunities? What are the advantages and disadvantages of requiring disclosed metrics to be accompanied with a sustainability disclosure and analysis section similar to the current Management's Discussion and Analysis of Financial Condition and Results of Operations?

A 13. Like other elements of operations discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations, climate-related risks and opportunities can be discussed without revealing competitive information and confirming consideration of such risks and opportunities. It will be useful to investors to have a separate sustainability disclosure section or if it is combined.

14. What climate-related information is available with respect to private companies, and how should the Commission's rules address private companies' climate disclosures, such as through exempt offerings, or its oversight of certain investment advisers and funds?

A 14. Private companies may be in a public company's supply chain and collecting the information is useful and necessary in that relationship. Private companies could collect and disclose their climate-related data via investment funds' disclosure of their information, as one avenue, and could disclose it publicly on a website even if there are no SEC disclosure documents as a forum. Private companies who intend to become public companies will need the data disclosed.

15. In addition to climate-related disclosure, the staff is evaluating a range of disclosure issues under the heading of environmental, social, and governance, or ESG, matters. Should climate-related requirements be one component of a broader ESG disclosure framework? How should the Commission craft climate-related disclosure requirements that would complement a broader ESG disclosure standard? How do climate-related disclosure issues relate to the broader spectrum of ESG disclosure issues?

15a. Response to Q 15 - E, S, and G issues are all impactful and useful company disclosure, yet the collection of and type of information to disclose is varied. Treating them as separate components of an ESG framework is useful.

15b. Climate-related disclosure requirements could be a separate component of an ESG disclosure. Given the complexity and scope of climate-related risk and how the data is collected, it can be its own category of a broader ESG disclosure framework. Social information also has a broad scope, but is a different set of systems to collect. Governance issues are a third, different type of information.

15c. By putting the climate-related requirements into financial filings, this step recognizes the material nature of the information, and sets some standards for the broader spectrum of ESG disclosure issues and how that information is provided. Keep them separate.

15d. Climate-related disclosure issues overlap with the broader spectrum of ESG issues such as considering what populations tend to be disproportionately affected by climate-related problems, managing climate-risk is fundamentally an overarching matter of good governance, etc.