June 15, 2022

Vanessa A. Countryman
Secretary, Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Subject: File Number S7-10-22

Dear Secretary Countryman, Chair Gensler, Commissioner Peirce, Commissioner Herren Lee, and Commissioner Crenshaw:

The League of Women Voters of the United States (the League) appreciates the opportunity to comment in support of the Securities and Exchange Commission’s (SEC’s) proposal of an amendment to rules under the Securities Act of 1933 and Securities Exchange Act of 1934. We urge the SEC to approve and finalize the proposed amendments to require climate-related risk disclosures to meet investor demand.

The League is a century-seasoned, nonpartisan, nonprofit organization committed to protecting every person’s freedom to vote. We are a grassroots group comprised of more than 500,000 members and supporters across 750+ local and state Leagues nationwide. The League focuses on advocacy, education, litigation, and organizing to achieve our mission to empower voters and defend democracy.

The League believes that climate change is a serious problem that requires immediate domestic and international action. A comprehensive approach to combating climate change — including energy conservation, air pollution controls, resilience building, and the promotion of renewable resources — is necessary to protect public health and defend the overall integrity of the global ecosystem. We support climate goals and policies that are consistent with the best available climate science and will ensure a stable climate system for future generations. We maintain that the US government should move ahead immediately on initiatives to reduce emissions of heat-trapping gases.

Although the SEC’s proposal does not directly place restrictions on greenhouse gas (GHG) emissions, disclosure and transparency are key steps to curbing our emissions as a nation. The
League believes that public understanding and involvement are essential to our national response to climate change. The public has a right to know about pollution levels, especially related to public health and the environment. This requires disclosure at the government and private-sector levels. The public also has a right to participate in decision-making that impacts environmental decisions made in their communities.

This proposed rule should make a special effort to make the disclosed climate risk information accessible to the diverse knowledge base of a public audience to ensure that the public can use the information to participate effectively. The proposed amendments ensure that shareholders have the information they need, including GHG emission metrics, to appropriately assess financial, physical, and legal climate-related risks to their investments. This will help accelerate the transition from fossil fuels to cleaner, more efficient energy standards.

In addition to the public need for climate risk information, the SEC’s proposal responds to mainstream investor demand for climate risk disclosure. This is demonstrated by the participation of 700 global investors in Climate Action 100+ — an initiative collectively responsible for managing $68 trillion in assets and influential in calling for enhanced corporate, climate-related financial disclosures.

Climate change poses significant risks and challenges to businesses and the planet, whether or not companies acknowledge this in their public communications. These challenges, like reliance on unsustainable fuels whose volatile costs can be a liability, will only intensify in the coming decades. For example, companies that do not diversify their fuel reliance or production and transportation equipment fail to insulate themselves and their shareholders from the financial impacts of a changing climate and thus continue to contribute to the ongoing crisis.

Despite the risks, many companies fail to share this critical information with their shareholders, and those that do often provide unstandardized, patchwork data that is difficult for regulators and investors to parse. Just as regulators must be able to accurately assess climate-related risk to the financial system, investors must be able to do the same for their assets. Additionally, as the SEC’s proposal notes, aligning with the methodology of the GHG Protocol standardizes the disclosure process with a system that is familiar across industries, allowing for systematic evaluation of climate-related risks.

Although many companies have voluntarily undertaken a degree of climate-related risk reporting, the costs associated with disclosure can be a competitive disadvantage when there is inconsistent or nonexistent reporting on the part of competing companies. The SEC’s new disclosure requirements would level the playing field among competing companies in the same way that other existing SEC-mandated disclosure requirements do.

The international financial community is already taking steps to meet global commitments to transition to a low-carbon economy. This proposal by the SEC is an imperative step for the United States to keep pace with other countries that are leading in international climate action.
The League of Women Voters of the United States is grateful for the Commission’s leadership in addressing the necessity of climate risk disclosure, holding public companies accountable to their shareholders, and establishing regulations and requirements to meet the urgency of the crisis of climate change.

Sincerely,

[Signature]

Virginia Kase Solomón
CEO