BANK OF AMERICA

June 17, 2022

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

Re: The Enhancement and Standardization of Climate-Related Disclosures for Investors - File Number S7-10-22

Dear Ms. Countryman:

Bank of America welcomes the request for public comment from the U.S. Securities and Exchange Commission (Commission) on its climate-related disclosure proposal (Proposal).[1] Organizations across markets and geographies will greatly benefit from common measurement tools and disclosure practices, which we believe will help accelerate the transition of the global economy towards lower (and ultimately net zero) carbon emissions. Various stakeholders, including asset owners and asset managers, will benefit from consistent, standardized disclosures addressing climate-related risks and opportunities to help them make decisions on where best to deploy capital in alignment with investor goals. A uniform approach to, and related disclosure of, data standards and metrics is critical to achieving this objective.

As the Proposal rightfully highlights, consistent, comparable, and reliable information helps enable investors to make informed judgments, and the final rules should focus on encouraging disclosure of such decision-useful information. In furtherance of this goal, this letter presents constructive feedback and detailed comments that we believe can help improve the proposed disclosure requirements, by highlighting areas where further clarification or modification by the Commission would encourage and facilitate a registrant's disclosure of decision-useful climate-related information for investors. Further, this letter details our significant concerns with respect to the proposed disclosure requirements around financial statement metrics, including the associated one-percent threshold. Our suggestions aim to allow registrants reasonable time to develop and adjust their processes and practices in order to produce meaningful climate-related disclosures, make the proposed rules more consistent with the Commission's existing regulatory framework, and provide for protections for registrants who act in good faith.

Further, our comments in this letter reflect our extensive participation in efforts to advance the development of a single transparent global reporting standard. We have served in a key capacity in industry-wide efforts, such as those of the International Business Council of the World

[1] The Enhancement and Standardization of Climate-Related Disclosures for Investors, 87 Fed. Reg. 21,334 (Apr. 11, 2022) [Proposal].

Economic Forum (WEF-IBC), which encourage the adoption of a common set of stakeholder-capitalism metrics based upon widely accepted third-party ESG reporting standards. The WEF-IBC, in collaboration with major international accounting firms, spearheaded the publication of a report[2] outlining a set of common sustainability metrics that draw from a range of existing standards and represent a common, core set of metrics and recommended disclosures to encourage alignment of sustainability reporting; reduced regulatory fragmentation; convergence of existing standards toward a single, global common standard; more comprehensive reporting and expedited progress toward solutions to environmental and social challenges. The WEF-IBC's efforts have inspired the work of the International Sustainability Standards Board (ISSB), and we support the broad use of these WEF-IBC metrics. We continue to recommend that the Commission evaluate the WEF-IBC metrics and their underlying principles in considering the adoption of a climate-related disclosure as well as other environmental, social, and governance (ESG) disclosure regimes.

In order to establish a widely accepted climate-related disclosure regime, and as the Commission reviews the range of responses to the Proposal, we believe it is critical that the final rules focus on disclosures that utilize robust, available data in order to elicit credible, decision-useful information. If the final rules are excessively prescriptive and require disclosures for which supporting data are currently insufficient, registrants that already have established targets and objectives to achieve net-zero emissions—based on best available and widely accepted targets and consistent with voluntary regimes such as those under the auspice of the Glasgow Financial Alliance for Net Zero[3]—may find it difficult to continue to make progress in line with these voluntary commitments and may be exposed to disproportionate liability under the Commission's proposed climate-related disclosure rules. We encourage the Commission to carefully tailor final climate-related disclosure requirements with these concerns in mind and to take into consideration ongoing, robust public discussion of non-financial ESG disclosure. We encourage the Commission to develop final rules that promote progress toward a low-carbon, sustainable future without inadvertently encouraging criticism based on perceptions that such disclosure is unnecessary, overly complex, or otherwise not worthy of pursuit. Our feedback throughout this letter is informed by these objectives.

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[2] World Economic Forum, *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, White Paper (Sept. 22, 2020), available at https://www.weforum.org/reports/measuring-stakeholder-capitalism-towards-common-metrics-and-consistent-reporting-of-sustainable-value-creation/.

[3] Bank of America is a founding member of the Net-Zero Banking Alliance, one of the alliances under the Glasgow Financial Alliance for Net Zero, and has committed to achieve net-zero emissions across our financing activities, operations, and supply chain before 2050. *See* Bank of America, *Approach to Zero* (Apr. 13, 2022), available at https://about.bankofamerica.com/en/making-an-impact/our-net-zero-strategy-and-targets-to-reduce-emissions.

Introduction

Before sharing our specific feedback for each of the disclosure topics in the Proposal, we would like to highlight our primary areas of support and concern.

We support the following principles of the Proposal, as discussed in further detail throughout this letter.

- **Regulated Disclosure Regime for Climate-Related Risks.** Currently, there is a possibility that the fragmented voluntary disclosure landscape could be replaced with fragmented required, regulatory disclosure regimes. Multiple international jurisdictions and organizations are working to promulgate climate-related disclosure rules and, more generally, ESG disclosure rules. We encourage the Commission's expeditious work to finalize a set of actionable, consistent, decision-useful disclosure rules that can serve to guide and influence regulatory standards in other jurisdictions. We also recommend that the Commission collaborate, where appropriate, with other U.S. regulators and regulators across the globe to focus on disclosure of a common set of metrics and tools that can be utilized to advance toward the goal of achieving a low-carbon economy. Bank of America believes that the most efficient way to achieve this goal is to adopt disclosure rules that are straightforward, readily implementable, consistent with the Commission's existing regulatory framework, and designed for comparability, consistency and reliability. This belief is foundational to the range of constructive feedback we provide in this letter.

- **Climate-Related Disclosure Rules Based on Existing Voluntary Frameworks.** We support the Commission's approach of basing the Proposal on existing voluntary disclosure frameworks. In particular, we support the Commission basing the Proposal on the recommended framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD Framework)[4] and the greenhouse gas (GHG) accounting standards under the GHG Protocol.[5] The TCFD Framework is already commonly used for climate-related reporting and in certain jurisdictions forms the basis for mandatory reporting. The GHG Protocol supplies the world's most widely used GHG accounting standards, and the GHG Protocol's *Corporate Accounting and Reporting Standard* already provides the carbon-accounting platform for nearly every corporate GHG reporting program in the world. As a financial services company, Bank of America uses the Partnership for Carbon Accounting Financials' Global GHG Accounting & Reporting Standard for the Financial Industry (PCAF Standard),[6] which is itself built on the GHG Protocol. Thus, we generally

[4] Task Force on Climate-Related Financial Disclosures (TCFD), *Final Report: Recommendations of the Task Force on Climate-Related Financial Disclosures* (2017) [TCFD Recommendations], as implemented by TCFD, *Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures* (2021) [TCFD Implementation], along with related guidance.

[5] Greenhouse Gas Protocol, *GHG Protocol Corporate Accounting and Reporting Standard (Revised Ed.)* (2004), including related appendices, amendments and corrections.

[6] Partnership for Carbon Accounting Financials, *Global GHG Accounting & Reporting Standard for the Financial Industry* (2020) [PCAF Standard].

support the Commission's use of definitions intended to be consistent with the TCFD Framework and the GHG Protocol's carbon-accounting standards.[7]

- **Required Disclosure of Scope 1 and Scope 2 Emissions and, Where Material or Part of a Registrant's Emissions Reduction Targets, Scope 3 Emissions, with Relevant Safe Harbors.** We support the reporting of Scope 1 and Scope 2 emissions and, where material (*i.e.*, consistent with the traditional notion of materiality set forth by the U.S. Supreme Court and historical guidance of the Commission) or part of a registrant's emissions reduction targets, Scope 3 emissions, with relevant safe harbors as discussed in Section 7 below.[8] Consistent, transparent disclosure of GHG emissions also will facilitate our ability to monitor our entire value chain—clients and vendors—to help drive the transition toward net zero carbon emissions. As a large, diversified financial institution, we understand the importance of partnering with our suppliers and clients as they begin to fully assess and manage the GHG emissions impacts across their value chains. A 2021 report from the World Economic Forum, co-authored by the Boston Consulting Group,[9] found that supply chain activities can represent as much as 90 percent of a company's operational and upstream Scope 3 emissions. Suppliers are often small and medium-sized enterprises (SMEs)—unsurprisingly, as SMEs represent the vast majority of global businesses—and many of those companies will not be covered under the Proposal's reporting requirements. However, where SMEs are part of the supply chain of larger, public companies, it will be necessary for such SMEs to be able to account for, understand, and manage their emissions. At Bank of America, we are undertaking significant efforts to support our suppliers and clients of all sizes as they better understand and work to reduce their GHG emissions in line with targets. Since 2008, we have engaged our largest suppliers to report externally on GHG emissions, as well as climate-related risks and opportunities. For example, in 2021, in an effort to improve suppliers' ESG performance, we went through our ESG remediation process with one of our major suppliers from a sector that has historically been resistant to engaging on emissions-related issues, which led to the supplier's agreement to collect and disclose emissions data and publish an emissions target in 2023. We believe, as indicated by the actions we have taken to date, that the scope and range of potential impacts from climate change requires close attention from all companies and begins with measuring and disclosing their GHG emissions.

While we support certain principles of the Proposal, we are particularly concerned about the proposed disclosure regime related to climate-related financial metrics, including the associated one-percent threshold. As we discuss in more detail in Section 2 below, we believe the proposed rules on this topic are unworkable, particularly given the context of U.S. generally accepted accounting principles (GAAP) and internal controls over financial reporting. Additionally, the Proposal's prescriptive approach toward financial metric disclosures is inconsistent with the traditional notion of materiality set forth by the U.S. Supreme Court and the Commission's historical guidance and with the TCFD Framework, which relies on materiality determinations in

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[7] *See* Proposal, Request for Comment No. 3.

[8] *See* Proposal, Request for Comment Nos. 97-99.

[9] World Economic Forum, *Net-Zero Challenge: The Supply Chain Opportunity* (Jan. 21, 2021), available at https://www.weforum.org/reports/net-zero-challenge-the-supply-chain-opportunity.

line with those made for other information in annual financial filings. This materiality-based approach would help registrants focus on a smaller set of key metrics that are important in understanding their exposure to climate-related risks. Further, the rules as proposed would require registrants to make numerous assumptions and internal policy choices that would result in inconsistent application of the rules, which would lead to the disclosure of information that is not decision-useful.

Recommendations

In this letter, we first address certain timing challenges with respect to compliance with the Proposal, both in terms of the initial phase-in of required disclosures as well as ongoing annual disclosure obligations under the Proposal. Next, we provide specific comments relating to the proposed rules on financial statement metrics and the associated one-percent threshold, as we find this disclosure requirement to be the most problematic. We then provide comments on the remaining aspects of the primary disclosure topics discussed in the Proposal, in the following order: GHG emissions metrics for all three Scopes and attestation of Scope 1 and Scope 2 emissions disclosures; governance of climate risks; climate-related risk strategy, business model and outlook; and climate-related risk management. Lastly, we discuss expanding the safe harbor protections for these disclosures and the need for regulatory coordination and standardization between the Commission, on the one hand, and U.S.-based prudential regulators and international actors, on the other hand.

1. Timing for Initial Phase-in and Annual Compliance Should Be Delayed and Required Disclosures Should Be Prospective

The Proposal poses several challenges with respect to timing of required disclosures, both relating to the phase-in periods for initial compliance with the rules and on an ongoing annual basis. Having accurate and detailed emissions data, in line with the TCFD Framework and the GHG Protocol, enables investors to assess risk, evaluate transition plans, and track alignment with targets. Because of the timing constraints described below, however, it may be difficult, or even impracticable, to produce the disclosures required by the proposed timelines in the Proposal.

A. *Initial Phase-In of Disclosures and Comparative Historical Metrics*

Due to the scope and scale of the various rules within the Proposal, in order to comply with the disclosure requirements, all registrants will need to develop complex infrastructure, including hiring new personnel with relevant skills, developing new systems, processes, and policies, and designing and implementing new disclosure control and internal control mechanisms. Depending on a registrant's size, sophistication, and experience with voluntarily disclosing emissions data, we believe the development and implementation of these new systems and processes will require significant time and impose significant compliance costs—far beyond what the Commission currently estimates, particularly up front. Even larger companies like us that voluntarily publish extensive climate disclosure and GHG emissions data under the TCFD Framework will need to develop and build out their systems, processes, and practices to account for more expansive and significantly more prescriptive disclosure requirements under federal securities laws and other differences between the Proposal and existing voluntary disclosure frameworks. For example, the Proposal's departure from the GHG Protocol's consideration of organizational and operational

boundaries may require a time-consuming and resource-intensive undertaking to modify current carbon accounting and related processes and, to the extent the final rules are not prospective in nature, recalculate historical emissions data.

In light of these challenges, to allow for more accurate, reliable, and decision-useful disclosures, we recommend that the GHG emissions disclosure, for all Scopes, be pushed back by one year from the Proposal's timeline (acknowledging that registrants may choose to voluntarily disclose earlier). We further recommend that the assurance requirements be pushed back by two years from the Proposal's timeline, as discussed in Section 3, and the financial statement impact metrics, if adopted as proposed and not modified, be delayed until appropriate accounting and auditing standards have been established, as addressed in Section 2.[10]

Moreover, the Proposal acknowledges that many registrants cannot currently comply with the proposed requirements to disclose historical metrics for climate-related financial impacts and GHG emissions, GHG emissions location data or Scope 3 emissions. For each such disclosure requirement, the related commentary indicates that relief may be available for registrants pursuant to either Rule 409 under the Securities Act of 1933, as amended (Securities Act), or Rule 12b-21 under the Securities Exchange Act of 1934, as amended (Securities Exchange Act). However, we are unaware of any instance in which the Commission or securities market participants have interpreted those rules in the extraordinarily broad manner suggested by the commentary in the Proposal. Accordingly, we are concerned that requiring such historical disclosure in registrants' initial filings pursuant to the Proposal will significantly increase registrants' exposure to enforcement or private rights of action for information disclosed or omitted in reliance on Rule 409 and/or Rule 12b-21. Accordingly, we recommend that the final rules exclude any requirement for comparative disclosures in registrants' initial filings and instead apply on a prospective basis, *i.e.*, only for fiscal years after the effective date of any final rule and not for historical periods.[11]

B. *Annual Compliance*

The Proposal does not sufficiently account for the ongoing impact of the timing by which emissions information and related financial metrics for a given fiscal year are available to registrants—particularly since the Proposal diverges from the TCFD Framework on these topics. While the Proposal suggests that registrants disclose actual data for first quarter through third quarter and estimates for fourth quarter of the reporting fiscal year (if actual fourth-quarter data is not reasonably available), the lag in obtaining and estimating actual data on GHG emissions for all three Scopes will significantly lag behind Form 10-K filing deadlines. Accurately disclosing Scope 3 emissions will be especially challenging given that we expect that reliable emissions data from companies in the value chain (including financed emissions) will not be available at the time we need to begin preparing our own disclosures; this delay in data availability can persist even through 17 months after fiscal year-end. Even in our case, data on Scope 1 and Scope 2 emissions is not readily available until approximately five months following fiscal year end.

In contemplation of these data limitations and realities, we recommend that the Commission clarify that entities should use the most readily available, highest quality information, including best

[10] *See* Proposal, Request for Comment Nos. 197-198, 201.

[11] *See* Proposal, Request for Comment Nos. 55-56, 114.

estimates where applicable, similar to the concepts employed under U.S. GAAP in regards to fair value measurement, which are based on known valuation concepts and the use of information-quality hierarchies (*e.g.*, Levels 1, 2 and 3 defined in U.S. GAAP to describe the information quality of fair value measurements). This means that such disclosures may be based on GHG emissions information that is one to two years old because such information is the most readily available, highest quality information. Thus, the Commission should explicitly acknowledge that information may be from prior years' reporting cycles based on the data available to each registrant. The final rules should also explicitly provide that if a registrant uses the most readily available, highest quality information for disclosure purposes, the registrant would benefit from the safe harbor for Scope 3 emissions disclosures in the Proposal. It is especially important to acknowledge this point in light of the anticipated lags in available data on Scope 3 emissions and given the concurrent reporting deadlines for disclosures relating to all three Scopes of emissions (*i.e.*, since a registrant's Scope 3 emissions will be informed by other registrants' reported Scope 1 and Scope 2 emissions).

Furthermore, given the timing concerns discussed above, we recommend that annual climate-related disclosures be filed no earlier than the date of the registrant's second-quarter Form 10-Q filing for the subsequent fiscal year (*i.e.*, 225 days after the end of a registrant's fiscal year). This would help alleviate the challenge of having all relevant data available and ready for disclosure by the Form 10-K filing deadline and would allow for inclusion of the highest quality information on GHG emissions of all Scopes, especially for Scope 1 and Scope 2 emissions.[12]

2. Climate Related Line Item and Footnote Disclosure in Audited Financial Statements Should Not Be Adopted as Proposed

With respect to the proposed requirements around financial statement metrics, we have a number of significant concerns, especially as the proposed metrics substantially deviate from the traditional notion of materiality under U.S. securities laws, are neither operational nor grounded in U.S. GAAP, are inconsistent with the TCFD Framework, and will result in disclosures that are not consistent or decision-useful for investors. Accordingly, we recommend that registrants be permitted to provide such climate-related disclosure qualitatively in the Management's Discussion and Analyses of Financial Condition and Results of Operations (MD&A) section of a registrant's reports, rather than being obligated to include such disclosure in the notes to its financial statements.[13] Otherwise, we strongly recommend that this aspect of the Proposal be significantly modified to rely instead on the traditional notion of materiality set forth by the U.S. Supreme Court and historical guidance of the Commission and on well-grounded and well-understood U.S. GAAP-based accounting concepts, in order to facilitate consistent, comparable, and meaningful disclosure. Disclosure should focus on specific events and limit the determination of climate-related impacts to first-order effects only. Disclosure also should only be required on a prospective basis after the effective date of the rule, as discussed in Section 1 above.[14] If such modifications are not made and the rules are adopted as proposed, as noted in Section 1, the effective date for

[12] *See* Proposal, Request for Comment No. 7, 105.

[13] *See* Proposal, Request for Comment Nos. 5, 89.

[14] *See* Proposal, Request for Comment No. 55-56.

compliance with such rules should be deferred to allow sufficient time for the Financial Accounting Standards Board (FASB) and the Public Company Accounting Oversight Board (PCAOB) to develop and implement relevant accounting and auditing standards to support the rules and for registrants to have reasonable time to make the significant investments in systems, processes, and control environments required to support such implementation.[15]

A. *One-Percent Threshold*. The Proposal requires registrants to disclose the financial impacts of severe weather events, other natural conditions, transition activities, and identified climate-related risks on their consolidated financial statements if the sum of the absolute values of all impacts on a given income statement line item is equal to or greater than one percent of the total line item. This one-percent threshold is arbitrary and does not align with traditional standards of materiality under U.S. securities laws. Further, applying a one-percent threshold for individual line items will not result in comparable disclosures across registrants and industries because there is a high degree of diversity in financial statement presentation. To our knowledge, investors have not requested financial metric disclosure based on a one-percent threshold. Climate-related risks also do not appear to be distinct from other types of risks inherent in business operations, for which no similar requirements exist in U.S. GAAP and thus do not appear to merit such unique treatment. This one-percent threshold would impose an unnecessarily costly burden on registrants and result in the disclosure of a significant volume of immaterial information that is not decision-useful. The Commission should instead base the final rules on the traditional notion of materiality under U.S. securities laws and eliminate any arbitrary numerical threshold.[16]

B. *Disaggregation of Financial Impact of Climate-Related Events and Transition Activities*. The Proposal requires registrants to disclose in a note to their financial statements certain disaggregated climate-related financial statement metrics, but it is unclear how a registrant would be able to quantitatively disaggregate the climate-related financial impacts from other drivers. For example, as a financial institution, we present, as a line item in our consolidated financial statements, changes in the fair value of financial instruments which flow through market making and similar activities. However, the financial impact of climate-related events and transition activities on this item would be impossible to quantitatively disaggregate from other drivers of changes in the fair value of such item. This same logic applies to any item carried at fair value, for which changes in value may be driven by any number of factors whose individual effects are not specifically identifiable. To further support this example, severe weather events or new transition regulations in a particular jurisdiction may have an impact on the fair value of those items, and on any offsetting derivative contracts used for risk management purposes, but it would not be practical or feasible to identify the portion of changes in the value of these instruments that is directly related or attributable to a potential physical event or

[15] *See* Proposal, Request for Comment No. 91.

[16] *See* Proposal, Request for Comment Nos. 68, 77.

transition activity and the portion that is attributed to other pricing drivers affecting the market. Similarly, quantifying the financial impact of a given climate-related event or transition activity in relation to changes in the allowance for expected credit losses is also not practicable or feasible.[17]

C. *Concepts Not Defined under U.S. GAAP*. The Proposal introduces concepts, such as cost savings and lost revenues, that are not defined in U.S. GAAP and for which registrants would be required to rely upon idiosyncratic internal policy choices resulting in accounting complications and rule application inconsistencies across registrants. For example, since U.S. GAAP does not define a climate-related cost savings in comparing one period's financial performance to another, climate-related cost savings would be a function of a registrant's highly subjective and potentially unique judgments, assumptions, and internal policies regarding the identification of such items, and thus disclosures across companies would be incomparable and of limited utility for investors. Such policies might involve the use of *de minimis* thresholds (*e.g.*, such as those used for asset capitalization), and it is not clear over which periods such savings must be tracked. For example, if the installation of solar panels with a 10-year estimated useful life results in electricity cost reductions in one period compared to the following period, is that an identifiable cost savings, or must the registrant take account of the solar panels' depreciation, which could partially or even fully offset those electricity cost reductions? We think the answer to such question would depend upon a registrant's internal policy choices. The variability of a registrant's judgment, assumptions and internal policy choices around questions like these ultimately would diminish the consistency and comparability, and thereby the utility for investors, of such disclosure for and across registrants.

Additionally, the Proposal would require registrants to disclose the financial impacts of transition activities and identified climate-related risks, including transition risks, on their consolidated financial statements. The Proposal defines "transition risks" to include "reputational impacts (including those stemming from a registrant's customers or business counterparties) that might trigger changes to market behavior, consumer preferences or behavior, and registrant behavior." This may require registrants to attempt to calculate lost revenues as customers shift to cleaner energy sources. However, the concept of lost revenues does not exist under U.S. GAAP as a component of net income. Revenues are either earned and recorded on the income statement, or not earned and altogether outside of the realm of net income under U.S. GAAP. Attempting to calculate lost revenue based on forward-looking impacts would require registrants to exercise significant individual judgment and create the need for sophisticated internal policies based on a number of assumptions about customer behavior, which often would not be discoverable or knowable. Thus, we strongly recommend that this lost-revenue concept, along with the cost-savings item discussed above, be omitted from the final rules.[18]

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[17] *See* Proposal, Request for Comment Nos. 60-61.

[18] *See* Proposal, Request for Comment No. 61.

> To further illustrate the variability of disclosure based on concepts not defined under U.S. GAAP that could occur under the proposed rules, consider the case of a registrant that constructs a net zero emissions production facility at a cost of $100 million. If the facility's specific components contributing to its net zero emissions impact cost approximately $10 million, should the registrant report $100 million or $10 million as capitalized costs associated with climate? We expect that registrants would develop unique internal policies that lead to varying answers on this question.[19] Moreover, we expect that registrants may develop idiosyncratic policies to identify the costs of severe storms associated with climate change. For example, in accordance with their respective policies, one registrant might determine that hurricane-related losses from a particular hurricane should be included in its climate-related disclosures, while another registrant may conclude that such hurricane was within the normal range of frequency and severity and hence should not be included in its disclosures. These disparate conclusions on the part of registrants in similar circumstances call into question the utility of disclosures based on such policy decisions.[20]

In sum, the proposed rules on climate-related financial statement metrics are a significant departure from, and inconsistent with, traditional financial statement processes and internal controls over financial reporting due to the significant independent judgment, estimations, and assumptions registrants would need to make to calculate the financial impacts of severe weather events and other natural conditions and related transition activities. As such, we do not support the adoption of the climate-related financial statement metrics as proposed because they are not practical or operable and would not result in consistent, comparable, or meaningful information for investors. Any final rules adopted on climate-related financial statement metrics should be modified to focus on specific events, first-order climate-related impacts, and traditional standards of materiality rather than rely on an arbitrary numerical threshold. Concepts that are undefined under U.S. GAAP and subject to significant (and varying) assumptions and speculation, such as cost savings and lost revenues, would be better eliminated entirely; however, if retained and where material to a registrant, they could be addressed through qualitative disclosure in the MD&A section of a registrant's reports, which we believe is sufficient for investors to understand material financial impacts of climate-related events on registrants.

If these climate-related financial statement metrics rules are adopted as proposed, we strongly recommend delaying the phase-in of these requirements to allow for the FASB and the PCAOB to develop U.S. GAAP and associated specialized auditing standards to support consistent, comparable, and meaningful disclosure. Furthermore, we note that a sufficient transition period for implementation of such accounting standards must be provided for registrants, as we expect any such standards would be at least as complex as those associated with leasing, revenue recognition, and expected credit losses, for which extended transition periods were granted to

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[19] *See* Proposal, Request for Comment No. 74, 78-79.

[20] *See* Proposal, Request for Comment No. 63.

allow for proper interpretation of the standards, accounting system development, and creation of internal controls over financial reporting with associated audit procedures.[21]

3. Disclosure of GHG Emissions Metrics Should Be Modified

We generally support, subject to the recommendations discussed below, required disclosure of Scope 1 and Scope 2 emissions[22] and of Scope 3 emissions if material under the traditional definition of materiality or if the registrant has set a GHG emissions reduction target or goal that includes Scope 3 emissions. In this regard, the materiality of Scope 3 emissions should be based on the total mix of information considering both quantitative and qualitative factors rather than based on the amount of Scope 3 emissions relative to a registrant's overall GHG emissions.[23] We also support disclosures of GHG emissions that are aligned with the TCFD Framework and in accordance with the standards set by the GHG Protocol.

In addition to the timing considerations discussed in Section 1 above, the following recommendations are aimed at enhancing reporting feasibility and consistency:

A. *The final rules should allow for companies that disclose Scope 3 emissions to do so in the aggregate using only the Carbon Dioxide Equivalent (CO_2e) metric*. Most companies disclose *aggregated* GHG data using a CO_2e metric. This approach enables companies to express the impact of all GHGs in terms of a single metric that is measured by the most common GHG. While certain companies may be able to report disaggregated GHG data for Scope 1 and Scope 2 emissions, disaggregating Scope 3 emissions for each constituent GHG would be incredibly challenging and be of questionable usefulness. For example, to calculate financed emissions, we obtain reported emissions across all three Scopes from our clients, where available, but the majority of our clients do not report emissions data. Thus, we must estimate emissions across all Scopes using emission factors offered by third parties, which are based only on CO_2e and do not exist for other GHG types. Requiring disaggregated data by GHG type for Scope 3 emissions would therefore require significant additional assumptions and estimations, adding to the data-related challenges discussed throughout this letter. While we acknowledge that disclosing disaggregated Scope 3 emissions could be useful in some limited circumstances (*e.g.*, in particular industries), the estimation required to prepare that disclosure significantly hinders the meaningfulness and usefulness of such disclosure for investors and any potential benefits would not outweigh the significant burden.[24]

B. *The final rules should allow organizational boundaries to be based upon the existing framework under the GHG Protocol.* We believe such flexibility is needed to account for differing views on how emissions data (especially that related to equity method investments) can be best reflected based on a particular registrant's

[21] *See* Proposal, Request for Comment Nos. 53, 201.

[22] *See* Proposal, Request for Comment No. 97.

[23] *See* Proposal, Request for Comment Nos. 98-99.

[24] *See* Proposal, Request for Comment No. 94.

circumstances and to accommodate further maturation of practices and disclosures in this space. For companies that have voluntarily disclosed GHG emissions according to the GHG Protocol's consideration of organizational boundaries, the reporting method required in Proposal could create discrepancies between earlier-reported data and data disclosed pursuant to the Proposal. If the final rules include the reporting method from the Proposal and apply on a historical basis, and not just on a prospective basis, the Commission should provide that registrants need not restate historical emissions data using the method outlined in the Proposal, if such data has already been disclosed in accordance with other methods permitted by the GHG Protocol.[25]

C. *The final rules should permit registrants to use other GHG intensity metrics under the TCFD Framework or incorporated into the PCAF Standard.* We generally support disclosure of GHG emissions by intensity as proposed. While measuring emissions in absolute terms provides financial institutions, such as Bank of America, with necessary baseline emissions data, normalizing the data using an intensity metric allows for a focus on emissions efficiency per unit of production relevant to the registrant's industry. We believe, however, that the final rule should allow for greater flexibility by expressly permitting registrants to use other GHG intensity metrics under the TCFD Framework or incorporated into the PCAF Standard, in each case now or in the future. Both the TCFD Framework and PCAF Standard acknowledge the challenges and limitations of carbon footprinting metrics, including GHG intensity metrics, particularly for financial institutions.[26] In view of these challenges, the TCFD Framework and PCAF Standard both offer a range of GHG intensity metrics, including the weighted average carbon intensity (WACI) metric and economic emissions intensity. Both WACI and economic emissions intensity are already widely used by financial institutions that voluntarily disclose their GHG emissions. The Commission should allow for registrants to select from the full range of reliable GHG intensity metrics, so long as the calculation method is identified in the disclosure.[27]

D. *We recommend a two-year extension to the proposed phase-in periods for both limited and reasonable assurance for Scope 1 and Scope 2 emissions metrics.* We recognize the merits of a requirement for third-party attestation of Scope 1 and Scope 2 emissions, as well as the proposed phase-in from limited assurance to reasonable assurance. However, as indicated in Section 1 above, we recommend a two-year extension to the proposed phase-in periods for both limited and reasonable assurance.[28] We support the Commission's broad definition of providers of attestation reports to include any independent expert with significant experience in GHG emissions reporting.[29] A delayed phase-in for attestation would provide time

[25] *See* Proposal, Request for Comment No. 119.

[26] *See* TCFD Recommendations, pp. 36-37; TCFD Implementation, pp. 50-54; PCAF Standard, pp. 22-23.

[27] *See* Proposal, Request for Comment Nos. 110-113.

[28] *See* Proposal, Request for Comment Nos. 139-140.

[29] *See* Proposal, Request for Comment No. 144.

for assurance standard setters like the American Institute of Certified Public Accountants and the PCAOB to develop specialized assurance standards necessary for GHG emissions. A delay also would give additional time to attestation providers to obtain the necessary staff and resources to meet future demand and could help to reduce costs for registrants.

4. Disclosure on Governance of Climate Risk Should Be Less Prescriptive

We generally support the Commission's position regarding disclosure for how climate risk is governed and managed, as aligned with the TCFD Framework, but certain aspects of the proposed rules regarding governance are unnecessarily prescriptive. The governance of climate-related risk is similar to governance and management of other risks, and therefore the final rule's treatment of climate-related risks should align with governance rules relating to oversight of risks in other contexts. We recommend that the Commission modify the Proposal to better align the requirements with the TCFD Framework and with other Commission regulations, consistent with its long-standing approach of principles-based disclosure in order to better elicit decision-useful information that is specific to each registrant.

To this end, we believe that the requirement to disclose climate-related expertise of board members should not be included in the final rule. Specifically, the Proposal would require identification of any director with expertise in climate-related risks and the nature of such expertise. Such requirement would exacerbate the growing challenge of recruiting "single purpose" directors and create an ever-expanding set of disclosure requirements regarding specific skills without regard to the materiality of that particular skill to the registrant. In addition, directors are already subject to fiduciary obligations to oversee material risks, and banking regulations impose significant risk management expectations on directors.[30] Registrants should not be pressured through disclosure requirements to add "single purpose" directors, including directors with climate-related expertise or defend a decision not to add such director(s) to their boards, regardless of the importance of or need for such expertise. For most registrants, disclosure of the detail describing an individual's expertise is generally not required under other Commission rules. For example, such disclosure is not required for an audit committee financial expert. Moreover, Item 401 of Regulation S-K already requires disclosing the identity and business experience of directors and executive officers and the specific experience, qualifications, and attributes or skills that support the conclusion that such board member should serve as a director, and Item 407 of Regulation S-K requires registrants to disclose information about a registrant's corporate governance practices, including data about board meetings, committees, and shareholder communications. As climate risk is but one of many risks that boards of directors are responsible for overseeing, the requirement to identify only

[30] *See*, *e.g.*, 12 C.F.R. Part 30; (Safety and Soundness Concerns); Federal Reserve Attachment SR 21-3/CA 21-1 (Supervisory Guidance for Boards of Directors of Domestic Bank and Savings and Loan Holding Companies with Total Consolidated Assets of $100 Billion or More (Excluding Intermediate Holding Companies of Foreign Banking Organizations Established Pursuant to the Federal Reserve's Regulation YY) and Systemically Important Nonbank Financial Companies Designated by the Financial Stability Oversight Council for Supervision by the Federal Reserve).

climate risk expertise does not add to the total mix of information available to shareholders as they consider and vote upon the composition of a registrant's board of directors.[31]

As discussed in Section 7 below, in contrast to other Commission rules (including the Commission's rules on audit committee financial experts and recently proposed rules related to cybersecurity risk management, strategy, governance, and incident disclosure (Cybersecurity Proposal)[32]), the Proposal does not provide any limitation of liability for those designated directors if they are deemed to have enhanced responsibilities. Should the final rule include disclosure requirements for board members with climate-related risk expertise, the rule should also provide a broad safe harbor to protect directors who are alleged to have heightened responsibilities with respect to climate-related risks. The lack of a safe harbor may have a chilling effect on the ability of registrants and boards to recruit and retain any such climate experts to serve on boards and/or be identified as climate experts.

Additionally, we recommend that registrants have the option to disclose climate-related corporate governance matters with other corporate governance disclosures. The Commission's current requirements for domestic registrants to disclose corporate governance matters are largely contained in Item 401 through Item 407 of Regulation S-K and are required to be disclosed in Part III of Form 10-K. Instruction G.3 to Form 10-K allows Part III information to be forward incorporated from a registrant's proxy statement, which is common practice. Requiring climate-related corporate governance disclosure in Form 10-K, while other corporate governance disclosure is included separately in a proxy statement, would provide a fragmented and disjointed picture of board oversight of a registrant's risks and corporate governance practices, and would be less useful for investors. As such, if retained in the final rules, the disclosure required by proposed Item 1501 of Regulation S-K should be moved to Part III of Form 10-K or otherwise allow forward incorporation to the proxy statement.[33]

5. Required Disclosure on Climate-Related Risk Strategy, Business Model and Outlook Should Be Principles-Based

We broadly support disclosure of material climate-related risks, both physical and transition, and their impact on a registrant's strategy, business model and outlook, consistent with the TCFD Framework. To this end, we believe the final rules regarding such disclosure should be based on the traditional notion of materiality set forth by the U.S. Supreme Court and the Commission's historical guidance and on principles-based disclosure to focus on those impacts that are truly deemed to be material to a particular registrant, which aligns with the TCFD Framework. For example, the Proposal would require granular disclosure about the location of business operations, properties, or processes subject to an identified material physical risk. It would also require disclosure if any material risk concerns the location of assets in regions of high or extremely high water stress. However, the Proposal does not define "high water stressed region" or "extremely high water stressed region." Thus, disclosures from registrants that define these terms differently

[31] *See* Proposal, Request for Comment No. 34.

[32] Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure, 87 Fed. Reg. 16,590 (Mar. 23, 2022).

[33] *See* Proposal, Request for Comment No. 7.

would result in an investor's inability to meaningfully compare water-stress risks across different companies. Moreover, even if companies coalesce around industry-specific definitions, investors will not be able to compare water-stress risk across industries that use varying standards for "high water stress" or "extremely high water stress."[34]

We recommend removing the requirement to pinpoint locations subject to physical risks by ZIP code, which would be unduly burdensome for large companies. We believe that an appropriate understanding of risk exposures can be obtained through principles-based disclosure without resorting to mandatory disclosure of ZIP codes or other postal codes. For example, a company may determine that physical risks can be accounted for by reference to city- or state-based categories.[35]

Further, the Proposal would require disclosing detailed information about how internal carbon price and scenario analysis or any analytical tools assist the registrant in evaluating and managing climate-related risks. As discussed further below, we recommend that the disclosure of internal carbon price and scenario analysis be voluntary rather than required as these items often feature trade secrets or other confidential business information and may be based on proprietary models.

A. *Internal Carbon Price.* The Proposal states that required disclosures around internal carbon price could "help investors assess whether a registrant's internal carbon pricing practice is reasonable." However, disclosing sufficient detail for investors to adjudicate the "reasonableness" of a company's internal carbon price would, in many circumstances, require disclosure of trade secrets or other proprietary business information, which may raise serious concerns of competitive harm. To the extent required or voluntarily disclosed, we recommend a principles-based qualitative disclosure of tools and methods used to provide insights into a registrant's business strategy around internal carbon price.[36]

Further, while outside of the scope of this Proposal, we believe a meaningful price discovery mechanism is needed to understand the true cost of carbon emissions, drive technological innovation, and inform more effective public policy. While carbon pricing information is important, individual registrants' disclosure of internally developed carbon prices are based on internal pricing models that often differ and cannot be easily compared to one another. We think that a more meaningful carbon pricing metric would be one that is obtained through a market-based price discovery mechanism such as a carbon exchange. We think that price transparency through a market-based mechanism is superior to disclosure of such internal carbon pricing developed by companies, which may be based on inchoate, evolving, and proprietary models.

B. *Internal Scenario Analysis.* Large financial institutions, particularly multi-national financial institutions, are facing increased pressure to conduct scenario analysis. For example, in their proposed Principles for Climate-Related Financial Risk

[34] *See* Proposal, Request for Comment No. 14.

[35] *See* Proposal, Request for Comment No. 12.

[36] *See* Proposal, Request for Comment Nos. 26-27.

> Management for Large Banks, both the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency have noted that "management should develop and implement climate-related scenario analysis frameworks in a manner commensurate to the bank's size, complexity, business activity, and risk profile."[37] In turn, under the Proposal, any financial institution that conducts a scenario analysis would then be required to disclose detailed information about that analysis—regardless of whether the outcome of such analysis is material. Such details concerning a registrant's development and use of scenario analysis frequently involve proprietary modeling and methods. Also, these analyses are often preliminary, continually evolving, and imprecise, based on assumptions with wide ranges of reasonability, all of which could lead to disclosure that is not useful or, even worse, potentially misleading to investors. Thus, we believe that disclosure of internal scenario analysis should be voluntary. If such disclosure is required, principles-based qualitative descriptions of a registrant's climate-related risk strategy are sufficient for investors to evaluate any such strategy.[38]

The Proposal would also require registrants to identify and describe any climate-related risks reasonably likely to have a material impact on their business or consolidated financial statements over the short-, medium-, and long-term. We recommend that the Commission base such disclosure on the traditional materiality standard that is universally understood and applied, which is determined by the time period relevant to a registrant's particular facts and circumstances rather than three separate time horizons. To the extent such disclosure requirement is adopted as proposed, we support granting registrants the flexibility to define these time horizons. Such flexibility allows registrants to determine time horizons that best fit their specific business and planning processes. We recognize that some standardization is helpful to investors seeking to compare climate risk across clients; however, we believe that registrants will coalesce around time horizons that best fit their particular industries.[39]

Further, the Proposal requires that, if carbon offsets or renewable energy credits (RECs) have been used as part of a registrant's plan to achieve climate-related targets or goals, the registrant must disclose the source of the offsets or RECs, a description and location of the underlying projects, any registries or other authentication of the offsets or RECs, and the cost of the offsets or RECs. We think that these requirements are onerous for large companies and are overly prescriptive. In addition, we note that some entities may engage in trading businesses with respect to such instruments, and we believe that the Commission should clarify that rules relating to such disclosures, if adopted, do not apply to trading inventories but instead apply solely to those offsets or RECs used to achieve the pertinent target or goal.[40]

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[37] Office of the Comptroller of the Currency, *Principles for Climate-Related Financial Risk Management for Large Banks,* available at https://www.occ.gov/news-issuances/bulletins/2021/bulletin-2021-62a.pdf.

[38] *See* Proposal, Request for Comment No. 30.

[39] *See* Proposal, Request for Comment Nos. 8, 21.

[40] *See* Proposal, Request for Comment No. 24.

6. Disclosure of Climate-Related Risk Management Should Not Implicate Confidential Business Information

We generally support disclosure relating to a registrant's processes for identifying, assessing, and managing climate-related risks and whether and how these processes are integrated into the registrant's enterprise risk management system. However, registrants should not be required to speculate about future restructurings, write-downs, or impairments related to climate risks which could raise significant current period accounting issues and conflicts. Similar to the disclosure of climate-related risk strategy, business model, and outlook, registrants should not be required to disclose any trade secrets or confidential business information in climate-related risk management disclosures.[41]

7. Stand-Alone Safe Harbor Protections Should Be Expanded

The Proposal notes that the safe harbor provisions of the Private Securities Litigation Reform Act (PSLRA) would apply to forward-looking climate-related disclosure. Given the uncertainty around certain aspects of the proposed climate-related disclosure and the continued evolution of disclosure after the final rules are effective, we support an expanded safe harbor regime that expressly covers not only forward-looking, but also historical and current, statements and affords registrants protection from private rights of action *and* Commission investigation and enforcement actions (which are not covered by the PSLRA), particularly for disclosure that is based on third-party data. This includes *stand-alone* safe harbor provisions for specific climate-related disclosures, described in detail below. Similar to the PSLRA, we suggest that no liability attach to any of the below disclosures if made in good faith and unless a plaintiff (or, in the case of an enforcement action, the Commission) can prove "actual knowledge" of the false or misleading nature of any statement made in connection with these disclosures. We believe this is critical to fostering a robust climate-related risk disclosure regime while sufficiently protecting registrants from potential liability, litigation, and investigation and enforcement risks.

At Bank of America, we have committed to achieve net zero emissions across our value chain including our operations, supply chain, and financing activity. We also have set 2030 targets in line with this commitment. In keeping with these commitments, we plan to provide robust reporting on our strategy for, management of, and progress toward these goals. We are concerned that insufficient safe harbor protection for disclosure of such information could increase the risk of liability for such disclosure and for other registrants with similar commitments and will only serve to have a chilling effect on other registrants, especially smaller registrants, that are considering similar commitments.

- *Climate Expertise for Directors.* As discussed above, the Proposal would require disclosure as to whether any member of the board is responsible for the oversight of, and has expertise in, climate-related risks, with disclosure required "in sufficient detail to fully describe the nature of the expertise." However, unlike directors who are identified as audit committee financial experts or deemed to have cybersecurity expertise under the Cybersecurity Proposal, the Proposal does not provide any liability coverage for those designated directors if they are deemed to have enhanced climate-related responsibilities. If this

[41] *See* Proposal, Request for Comment Nos. 42-45.

disclosure requirement is maintained, the final rule should expressly provide a safe harbor modeled after the safe harbor for audit committee financial experts or the safe harbor in the Cybersecurity Proposal, which provide that such directors would not be deemed "experts" for any purpose (including, without limitation, for purposes of Section 11 of the Securities Act) nor would designating such directors as having such expertise impose any duties, obligations, or liability greater than those imposed on that individual as a member of the board of directors generally, absent that designation. Climate experts should not be treated differently than audit committee financial experts or cybersecurity experts. If they were, registrants may struggle to find directors who are willing to be designated as having climate expertise.

- *Internal Carbon Pricing.* As discussed above, we believe disclosure of internal carbon pricing should be made on a voluntary basis. However, whether required or voluntarily disclosed, a separate safe harbor provision should be provided for any carbon price disclosure, including where such disclosures would not qualify for protection under the PSLRA on the theory that they are not "forward-looking." Internal carbon prices are based on current assumptions and third-party data, which may not be verifiable. Issuers who provide this carbon pricing disclosure should thus be provided with commensurate safe harbor protection.[42]

- *Scenario Analysis.* As discussed above, we believe disclosure of any scenario analysis should be made on a voluntary basis. However, whether required or voluntarily disclosed, the Commission should provide a more robust safe harbor to the disclosure of scenario analysis. While the Commission states that it "believes that the PSLRA forward-looking safe harbors would apply to much of the disclosure concerning scenario analysis," any final rule should expressly feature a categorical safe harbor that would apply to *all* scenario analysis disclosures.[43] Like internal carbon prices, scenario analyses are by definition based on assumptions and frequently utilize third-party scenarios, both of which are hypothetical in nature and may not prove to correctly represent current or actual risk or forecasts of expected risk and/or accurately represent actual results.[44]

- *Transition Plans.* We believe that any final rule should include a separate, broad safe harbor that protects registrants and individuals from liability in connection with the disclosure of transition plans, even if the baseline conditions of the PSLRA are not met. Again, as with internal carbon prices and scenario analyses, transition plans may be based on historical third-party data and current internal, subjective assumptions and estimates which may not qualify under the existing PSLRA safe harbor as "forward looking" statements.[45]

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[42] *See* Proposal, Request for Comment No. 28.

[43] Proposal, p. 92.

[44] *See* Proposal, Request for Comment No. 31.

[45] *See* Proposal, Request for Comment No. 51.

- *GHG Emissions Targets and Goals.* Disclosures made in connection with GHG emissions targets or goals should be expressly afforded safe harbor protection in any final rule. The current data available for Scope 3 emissions, as well as the methodology for calculating emissions for each of the three Scopes, is in its early stages and constantly evolving; this safe harbor is needed as and until data availability and data collection processes become more consistent and reliable.[46]

- *Corrections to GHG Emissions Disclosures*. The Proposal correctly notes that the proposed transition periods for assurance over GHG emission data disclosures are intended to provide companies with time to familiarize themselves with the GHG emissions disclosure requirements and develop the relevant disclosure controls and procedures. However, the Proposal does not provide a safe harbor for corrections to the GHG emissions data that may arise over time as a result of this transition or updates to GHG emissions data that a registrant files. The PSLRA would not apply to the disclosure of historical GHG emissions (for emissions across all three Scopes) because these statements are not "forward-looking." Accurately reporting GHG emissions, particularly all categories of Scope 3 emissions, is heavily dependent on various assumptions and estimates, including third-party data that is currently difficult to verify. Any final rule should therefore provide a categorical safe harbor for any disclosure that features a correction to historically disclosed GHG emissions.[47]

- *Climate-Related Line Item and Footnote Disclosure in Audited Financial Statements.* The PSLRA does not apply to forecasting information in financial statements, and the Proposal does not include a safe harbor for these disclosures. Due to the significant judgment and assumptions necessary to calculate the financial impacts of severe weather events and other natural conditions and related transition activities, the final rule should feature a broad safe harbor for any disclosure made pursuant to the Commission's requirement.[48]

- *Due Diligence Safe Harbor for Reliance on GHG Emissions Attestations*. In addition to the above, the final rule should include a safe harbor from liability under Section 11 of the Securities Act for errors or omissions in GHG emissions disclosures that are covered by a GHG emissions attestation report that satisfies the requirements of proposed Item 1505 of Regulation S-K. This safe harbor should be available to all parties subject to liability under Section 11 of the Securities Act, including explicitly an underwriter. This standard of liability would be consistent with the current standard of liability for such parties who rely upon audited financial statements that are contained in or incorporated into prospectuses.

Finally, we applaud the Commission for including a proposed safe harbor for Scope 3 emissions disclosures providing that disclosure of Scope 3 emissions would be deemed not to be a fraudulent statement unless it is shown that such statement was made or reaffirmed without a reasonable basis or was disclosed other than in good faith. However, to simplify and make this safe harbor

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[46] *See* Proposal, Request for Comment No. 174.

[47] *See* Proposal, Request for Comment No. 133.

[48] *See id.*

consistent with those discussed above, we suggest that this safe harbor be extended such that no liability would attach unless a claimant can show "actual knowledge" of the false or misleading nature of any statement made in connection with a registrant's Scope 3 emissions disclosures.[49]

8. Commission Should Coordinate with U.S. Regulators and International Actors

We encourage the Commission to coordinate its climate-related disclosure rules with the climate-related principles, guidelines, and rules of U.S. prudential regulators and, where necessary, to utilize the same terminology, defined terms, and reference bodies.

We appreciate the Commission's work on the Technical Expert Group of the International Organization of Securities Commissions (IOSCO) with respect to the ISSB climate disclosure exposure draft released in March 2022. We encourage the Commission to continue to support the ISSB in this work, and the Commission's final rule should allow all registrants to satisfy their disclosure obligations to the Commission using the ISSB's final standard. We understand that the Commission may need to modify the standard to, for example, comport with the Commission's mission and to be compatible with the U.S. domestic framework and regulatory process. Where the ISSB standard does not conflict with U.S. law, however, the Commission should promote international standardization of and coordination on key metrics and tools that can assist in understanding climate change on a global basis and moving toward a more sustainable future.[50]

Conclusion

We hope the Commission finds our recommendations and input to be valuable in its consideration of adopting final rules with respect to climate-related disclosures and reporting. If you have any questions about the positions in this letter, or if we can assist the Commission in any other way, please contact Larry Di Rita at (202) 442-7589 or me at (980) 388-4979.

Sincerely,

Rudolf A. Bless
Chief Accounting Officer
Bank of America Corporation

[49] *See id.*

[50] See Proposal, Request for Comment No. 189.