Dear Ms. Countryman,

Nucleation Capital is writing to express strong support for the SEC's Proposed Rule S7-10-22: Enhancement and Standardization of Climate-Related Disclosures for Investors.

Climate change threatens our planet and, since we are dependent upon healthy and vibrant ecosystems for the success of agriculture and other vital life support systems—such as the supply of clean water—the failure to prevent climate change by reducing our emissions and accumulations of CO2 in the atmosphere, threatens not only our lives but also our economy and our future.

Even to the relatively minor degree to which climate change has already impacted the planet, we have seen significant instability and disruption in our financial and economic systems. The prospect of far more severe disruptions, which would result in profound loss of life and security of the social fabric, infrastructure and systems upon which we rely, are rapidly approaching. As such, Nucleation Capital supports the implementation and enforcement of a strong reporting rule which will provide investors with much better information to hold companies accountable for their climate impacts, thus power to demand reductions of the heat-trapping emissions they cause.

Unfortunately, many corporations have long been allowed to ignore their climate impacts and, by extension, to emit without repercussions. Such entities impact our future and yet also deceive their investors, the public, and sometimes even themselves about their contributions to global warming and the fact that these contributions reduce their future profitability prospects, as well as the safety of our life support systems and humanity's ability to prosper and sustain life on the planet under normal conditions.

Greenwashing about actual impacts has been a terrible contributor to the public's inability to properly evaluate investments. Companies that profess to have less impact than they actually do are cheating investors and the general public and preventing the flow of investor funds from what are, in effect, costly and detrimental businesses to those that are conscientious, low-impact, more sustainable and frankly better, because they are doing the best they can to not worsen the climate.

As long as corporate greenwashing is allowed to persist, it is unlikely that investors will have the ability to plumb the depths of the problem and re-direct their funds according to their values. Yet once companies are required to report accurately and completely, we are confident that investors will refuse to invest in those companies that fail to respect the facts of this crisis and contribute wantonly to continued warming, thereby threatening their own profitability as well as the viability of the planet to support human life.
In addition to the proposed reporting requirements, we respectfully request that the SEC require that companies report on the percentage of the energy usage that they utilize which is actually carbon free. We believe that the current vogue of reporting on percentage of "renewables" is entirely deceptive itself. The word "renewable" is even greenwashing, since some of what is called renewable emits carbon and some does not. Thus, this brand itself does not inform anyone as to the true extent of emissions. The only facts that matter are whether or not there are CO2-e emissions associated with the type of energy and how much, namely the carbon intensity for a given amount of generation.

Nucleation Capital applauds the SEC for exercising its mandate to ensure that investors and the public have access to science-based information about risks that could affect their investments. Climate change will have far-reaching impacts across our society and having data about how each company is contributing as well as its likely effects on companies’ assets and long-term business outlook is essential for investors to make informed investment decisions, which will help protect the well-being of our planet, our economy and our portfolios.

Please pass a strong climate disclosure rule as soon as possible and do not wait long before it goes into effect, as every minute we wait is causing additional climate damage that increases our global risk of hitting tipping points from which it is possible we may never recover.

Sincerely,

Valerie Gardner
Managing Partner
Nucleation Capital

Rodney Adams
Managing Partner
Nucleation Capital