Vanessa Countryman, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609  
Re: File Number S7-10-22

Dear Secretary Countryman,

On behalf of 17 Asset Management (17AM), we want to thank you for the opportunity to submit comments on the notice of the proposed Enhancement and Standardization of Climate-Related Disclosures (the Policy). We believe that climate risk is an extension of financial risk and investors need transparency and consistency from US-listed companies on their emissions and their efforts to address climate risk. As a welcome byproduct of satisfying investor demands for disclosure, companies will be rendered more competitive and innovative. We also acknowledge that this is a significant departure from other disclosures, and a thoughtful process is being put in place to encourage rather than disrupt or stymie innovation.

While the proposed rule has encountered pushback from various entities, thousands of companies globally are already reporting on how their businesses contribute to greenhouse gas (GHG) emissions. According to Bloomberg, 4,024 companies are reporting scope one emissions, 3,932 are reporting scope two, and 2,621 are reporting scope three. In our view, it is evident that investors have forcefully expressed a demand for a means to assess emissions risk. The proposed rule will help create common standards for reporting and minimize confusion for reporting companies. Ultimately, both outcomes benefit investors.

Pushback has largely been driven by political motivations or alternatively, is related to the short-term costs (either perceived or real) associated with monitoring the types of risk required by the proposed disclosure. While we will resist the assumption of a political stance, we take the position that the long-term cost of loss to investors far outweighs the short-term cost of assessing the risk. Further, we believe a more thorough evaluation of the risk associated with emissions can reduce the financial milestone emissions create for companies, such as increased exposure to fossil fuel usage and/or inefficient technology. For many companies, these conditions are growing more burdensome as fossil fuel costs continue to rise. Further, disclosure can shed light on management’s decision-making process as it relates to vendor selection, product quality, and investment time horizon, which are essential factors to a company’s long-term success.

We believe that the phase-in approach for scope one and two emissions will work well, as more nuanced disclosure will be required for some companies. However, we respectfully suggest that a greater level of detail is needed for companies to adhere to scope three emissions disclosure. For example, many banks and insurance companies are already assessing scope one and two emissions and are appropriately helping to align costs and exposures with those future potential
risks. However, reporting scope three emissions can be challenging as this would require reports from borrowers and insureds. Given that 99% of companies in the United States are private, consideration must be given to establish best practices for all stakeholders. While we firmly believe that these situations should not be exempt, we suggest that more clarity is provided around the specifics of scope three emissions before the rule is rolled out. We believe that this will contribute to a greater degree of compliance. Further, as more clarity is provided around scope three and its incorporation into the rule, we ask that there be a standard comment period prior to any changes and they occur at most every three years to keep pace with advancements in the space.

We, again, thank you for the opportunity to submit comments and would welcome an opportunity to participate in the process on an ongoing basis.

Regards,

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