

April 17, 2024

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20515

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20510

Subject: Oppose H.J. Res. 127 Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "The Enhancement and Standardization of Climate-Related Disclosures for Investors".

Dear Majority Leader Schumer, Speaker Johnson, Minority Leader McConnell, Minority Leader Jeffries,

As investor networks comprised of institutional investors managing more than \$50 trillion in assets, we write to express our support for the Securities and Exchange Commission's (SEC) final rule on the Enhancement and Standardization of Climate-Related Disclosures for Investors, and we respectfully request that you oppose H.J. Res 127.

On March 6, 2024, the SEC released its final rule under the Securities Act of 1933 ("Securities Act") and Securities Exchange Act of 1934 ("Exchange Act") to "require information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition."¹ The rule would require large, publicly traded companies to disclose their direct greenhouse gas emissions and the impact of severe weather and other natural disasters on their business, operations, or financial condition. It would also require them to disclose the material impact of the transition to a clean economy on their business. The information on climate-related risks disclosed under the rule, alongside other material risks that companies face, "will assist investors in making decisions to buy, hold, sell, or vote securities in their portfolio."²

Investors want and need this valuable information to make informed investment choices and meet their fiduciary obligations to the people whose money and retirement savings they manage. As climate change worsens and continues to cost the global economy, investors want to understand how individual companies are exposed to material climate risks and which companies are prepared to effectively and proactively mitigate those risks. According to early analysis by

¹ Securities and Exchange Commission, "Final Rule on the Enhancement and Standardization of Climate-Related Disclosures for Investors", March 6, 2024

² *ibid*

Ceres on comments submitted by 320 institutional investors to the SEC on the rule, 99% supported requiring disclosure of Scopes 1 and 2 greenhouse gas emissions and 95% supported requiring disclosure of climate-related targets and goals, if they exist.³ Without access to this information, provided in a reliable and comparable way, investors are unable to comprehensively evaluate all material risks, threatening to expose their clients, including American workers saving for retirement and public fund managers, to unnecessary and avoidable economic hardship.

We applaud the SEC's decision to respond to investors' needs and provide standardization in climate-related disclosures so that investors can better fulfill their fiduciary responsibilities. Congress must support investors and protect Americans' retirement savings — we strongly urge you to reject H.J.Res 127.

Sincerely,
American Sustainable Business Network
Ceres
Impact Investing Alliance
Interfaith Center on Corporate Responsibility
Seventh Generation Interfaith, Inc
US SIF: Sustainable Investment Forum

cc: The Honorable Patrick McHenry, Chair, House Committee on Financial Services
The Honorable Maxine Waters, Ranking Member, House Committee on Financial Services
The Honorable Sherrod Brown, Chair, Senate Committee on Banking, Housing and Urban Affairs
The Honorable Tim Scott, Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs

³ Ceres, "Analysis shows that investors strongly support the SEC's proposed climate disclosure rule", October 11, 2022