

Dear Chair Gary Gensler,

I am writing to express my limited support and my concerns for Proposed Rule S7-10-22: Enhancement and Standardization of Climate-Related Disclosures for Investors.

There is an urgent need to address climate change issues and make progress in decreasing its effects. I am a huge advocate of encouraging companies to take steps to reduce their carbon footprint to the best of their capacity. I also know that there are many climate-related regulatory acts that are already costly to businesses, and they keep building.

I believe a change is necessary, and I am in favor of mandating the reporting of the "need-to-know" information relating to climate change so investors can put money where they see fit. I agree that it will aid in bringing forth clear and consistent information and help decrease "greenwashing" and false reporting of current voluntary information.

The SOC is to regulate as necessary and appropriate in the public interest and for the protection of investors. While I believe that many of the proposed rules are necessary and appropriate, some rules seem to extend past what is "necessary and appropriate" and could cause increased litigations. My concerns are the unnecessary costs on business, and if due to the validity of scope 3 emissions, is it something investors need to know?

The expense the rules will place on businesses and shareholders is notable. There are costs in auditing, creating and implementing a climate model, and the costs of measuring and reporting emissions. The rule itself mentions that the costs of reporting and measuring scope 3 emissions will be "significant." The rule also states that there is unreliability in measuring scope 3 emissions. Reporting Scope 3 emissions will require companies not just to measure and report their data but also indirect business emissions. Retrieving data from suppliers, distributors, and companies will not be easy and could increase company costs forcing them to seek third-party consultants to evaluate emissions. Does the benefit of unreliable data provided to investors outweigh the cost burden put on companies in a cost-benefit analysis? With the limited information provided, I do not think it does. With this said, I don't think it qualifies as a piece of need-to-know information reported to investors because it is not protecting investors or creating efficiency. Mandating companies to produce unreliable data does not protect the public interest or investors. Instead, it will deter investors from putting money into companies seeking to raise capital.

The SEC already has a voluntary structure for reporting emissions but leaves a gap for false reporting. Mandating the current rules and additional monitoring might be more appropriate for decreasing false reporting and providing practical, need-to-know material to investors without adding unnecessary costs to businesses. I suggest that the SEC provides more data on a cost-benefit analysis to prove that the proposed rules are necessary and appropriate for the benefit of investors and are within their statutory authorization.

Thank you for your hard work and dedication to the economy and the environment.

Sincerely,

Kristine Pilgrim