LongView
ASSET MANAGEMENT

May 17, 2022

Dear Commissioners,

As an SEC-registered investment advisor, LongView Asset Management LLC supports the adoption of the SEC's proposed climate disclosure rule, *Enhancement and Standardization of Climate-Related Disclosures for Investors*. We use a variety of ESG strategies in our clients' portfolios, and we believe the proposed climate disclosure rule will help us gain a more accurate understanding of the risks and opportunities associated with the funds we invest in.

LongView's business has grown rapidly in recent years as more people have come to us seeking investment advice that considers environmental, social and governance factors. Our clients have made it clear that they are concerned about a number of systemic issues, particularly climate change. They seek to understand how these factors will affect their investments, as well as the social and environmental impact their investment choices may have.

As advisors, we share the concerns of our clients. In our opinion, climate change poses growing financial risks for companies of all sizes, in all sectors. The increasing frequency and severity of extreme weather events such as fires, floods, hurricanes and droughts pose physical risks to real assets. Companies that are unprepared to transition to net-zero could also face regulatory risk, cost of stranded assets, and the loss of new business opportunities that will come out of the transition to a carbon-neutral economy.

According to the Financial Stability Oversight Council, the cost of extreme weather events to the economy has risen rapidly since the 1980's. In 2020, climate related events caused a record $95 billion in damages. These costs are projected to increase dramatically if humanity does not reduce greenhouse gas emissions.

Investors will benefit from coherent reporting from companies that helps them assess how companies plan to address climate risks and the transition to Net-Zero. While some companies already voluntarily disclose greenhouse gas emissions data, these efforts often lack consistency and clarity, and it can be difficult for investors to judge the accuracy of self-reports.

We believe that climate change disclosure rules from the SEC should include the following elements:

- Based on the TCFD: The SEC's rules should be based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which has been endorsed by hundreds of companies and investors globally.
- Industry-specific metrics: SEC rulemaking should include industry-specific metrics because material climate risks manifest in different ways by industry. These metrics should build on existing standards in common use by investors and companies. Identifying such industry-specific metrics would also allow for comparable disclosures.
- Governance and strategy disclosure: Disclosure rules should provide insights into companies' climate risk exposure, strategies, and scenario planning.

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- Emissions disclosure: Disclosure rules should include Scope 1, 2, and 3 greenhouse gas emissions, which are needed to assess the full range of climate change risks facing companies.
- Inclusion in financial filings: Material climate disclosures, including discussion on risk exposure and business opportunities, impacts on strategy, and emissions reporting and management, should be included in annual, quarterly, and other appropriate SEC filings.
- Regular updates: Scientific consensus around climate impacts and capital market responses to climate risks are rapidly evolving. SEC rules should be updated on an ongoing basis in response to these developments, and they should include the development or adoption of new metrics.

Thank you for taking our perspective into consideration.

Sincerely,

LongView Asset Management, LLC

David Cantor

Harlan Flint