June 6, 2022

Vanessa A. Countryman
Secretary
US Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Via email: rule-comments@sec.gov

Re: File Number S7-10-22
The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman:

We write to comment on the SEC's proposed rules (the "Proposed Rules") on public company climate disclosures in Release No. 33-11042 (the "Proposing Release").[1] Combating climate change requires citizens, governments, and businesses to work together. Businesses in Indiana – both large and small – play an important role in creating the innovative solutions to reduce greenhouse gases across our state and our nation.

The Indiana Chamber of Commerce believes that policy solutions addressing climate change should reduce emissions as low as possible at the pace of innovation. The Indiana Chamber of Commerce works to cultivate a world-class environment which provides economic opportunity and prosperity for the people of Indiana and their enterprises. We do that by partnering with 25,000 members and investors, on behalf of more than 4,000,000 Hoosiers. The Proposed Rules should serve the best interests of investors and the U.S. capital markets without impeding the progress the business community has already made – and continues to make – in providing material climate-related information to investors and in developing strategies and technologies to reduce climate risk and its adverse impacts on our society and around the globe. We are concerned the Proposed Rules do not meet these goals and offer the following recommendations to more practically align the proposal with the needs of the Indiana business community.

The following highlight several key issues for your consideration:

- **Maintain the SEC's longstanding policy on the materiality.** We agree that material climate risks and impacts should be disclosed to investors, and that the Commission's 2010

[1] Release No. 33-11042, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, 87 Fed. Reg. 21,334 (Apr. 11, 2022).

climate change interpretive guidance has been instrumental in improving the quality of disclosures on this topic.[2] As with other areas of disclosure, the traditional and longstanding conception of materiality continues to serve as a foundation in which to ground disclosure requirements to prevent an "avalanche" of information that can disadvantage investors and to ensure that the SEC adheres to the purpose that the agency was established to serve, deferring to appropriate parts of government to take the lead on other valid goals and objectives.[3]

- **Provide an approach that allows for flexibility across industries**. A more streamlined, principles-based approach qualified by traditional principles of materiality will produce a better outcome for the registrants that must prepare the disclosure and the investors who will consume it.
- **Provide flexibility in initial compliance and reporting timing.** The Commission should, in any final rules, extend the initial compliance deadlines by two years to provide the issuer community sufficient time to develop systems, controls, and audit methodologies over whatever new disclosures are ultimately adopted. This additional time will allow the SEC to better promote more reliable disclosures than a hurried compliance period. The SEC should also consider linking reporting obligations to current EPA requirements and timelines=.
- **Align reporting with regular company sustainability reports.** Rather than invent an entirely new reporting regime that is at times duplicative of what many companies are already reporting, the SEC could just permit companies to furnish their current sustainability reports on a discrete form
- **Offer initial voluntary Scope 3 emissions reporting**. Scope 3 emission reporting should not be mandated at this time because of the significant challenges that the SEC itself recognizes in the Proposing Release.
- **Expand disclosure safe harbor.** The Commission should extend a safe harbor from to cover any forward-looking statements related to emissions, targets, or climate goals that could expose companies to liability and ultimately prevent the very disclosure the SEC is seeking.

[2] Release No 33-9106, *Commission Guidance Regarding Disclosure Related to Climate Change*, 75 Fed. Reg. 6,290 (Feb. 8, 2010).

[3]The Chamber addressed many of these issues in its 2017 white paper, *Essential Information: Modernizing our Corporate Disclosure System*.

The Proposed Rules would impose a vast and costly new reporting regime on public companies, which could ultimately impede Indiana businesses' ability to innovate, grow, and create jobs.

The Indiana Chamber of Commerce and our members are committed to working constructively with the SEC and all stakeholders and urge the SEC to make the changes needed to develop a workable and flexible reporting approach that will result in improving climate progress while not unduly burdening public companies.

Sincerely,

Gregory R. Ellis

Gregory R. Ellis
Vice President, Environmental & Energy Policy and Federal Relations