

June 17, 2022

Dear Chair Gensler,

On behalf of Moore North America, I welcome the opportunity to respond to the Securities and Exchange Commission's (SEC) request for public input on climate-related financial disclosure issued on March 21, 2022. Moore North America supports the SEC's increased interest and initiative in the area of ESG-related financial disclosure and believes the standardization of generally accepted ESG disclosure requirements can play a key role for business.

The broad and growing investor demand for uniform disclosure of financially material ESG data demonstrates that investors seek to rely on this information for investment and proxy voting decisions. Today, 92 percent of the Standard & Poor's listed companies provide voluntary reporting on ESG measures, including climate-related risks, according to the Governance & Accountability Institute. Unfortunately, these voluntary reports lack consistent, comparable and reliable data, creating a lack of transparency for asset managers and investors. The current landscape of voluntary reporting also challenges corporations who must make their own determinations to report against one or a selection of the myriad available ESG frameworks.

In this letter, Moore North America outlines recommendations for clarification and codification in the SEC's proposed climate-related financial disclosure. It is our goal to support our clients in their adherence to the proposed climate-related financial disclosure rules and requires clarity on the definition and acceptable source(s) for reported data under the proposed climate-related financial disclosure requirements. Our comments focus on the proposed attestation, climate strategy and sustainability data reporting requirements.

Moore North America appreciates the opportunity to provide our professional opinion and commentary to the SEC in this important development of ESG-related financial and non-financial disclosure.

Respectfully,



Ellen O'Sullivan
Executive Director
Moore North America

Attestation of Climate-Related Financial Data

See proposed 17 CFR §229.1505(b) Attestation of Scope 1 and Scope 2 emissions disclosure

The SEC posed the following questions regarding attestation service providers and Moore North America's response follows:

Are there potential cost savings in employing registered public accountants that currently perform audits of financial statements and attestation of ICFR to review GHG emissions disclosure and any related internal controls?

If we require GHG emissions disclosure to be presented in the financial statements, should we permit entities other than registered public accounting firms to provide assurance of this information, as proposed for the current attestation requirements under Regulation S-K?

If not limited to registered public accounting firms, who should be permitted to provide assurance of GHG emissions disclosure? Should we permit environmental consultants, engineering firms, or other types of specialists to provide assurance? What are the costs and benefits of such approach?

Would the reliability of the audits and therefore the information disclosed be affected if assurance providers other than registered public accounting firms are permitted to conduct these audits?

If we should allow for assurance providers that are not registered public accounting firms, what qualifications and oversight should they have, and what requirements should we impose on them?

Should we direct the PCAOB to develop a separate registration process for service providers that are not otherwise registered? What expertise, independence and quality control standards should apply?

Moore North America contends requirement of registered public accountants to provide attestation of GHG emissions disclosure and related internal controls is the path forward. Registered public accountants have been held to stringent standards for the last 100 years, and specifically, fraud prevention reporting standards for the last 20 years. Registered public accounting firms have the specialized skill sets on staff and easy access to third parties providing these services. Third party firms, without the rigorous training required for public accounting firms, may be unable to follow accepted guidelines properly and substandard providers may enter the field. Allowing non-registered public accounting firms to provide these services will weaken these standards and, ultimately, the reliability of the attested information that investors are seeking.

Cost savings for the reporting company will accrue because the connected information will be easier for one firm to attain and to scale along with financial reporting data versus the employment of several specialist attestation providers. Third party environmental specialist assurance on non-financial metrics must be reviewed by registered public accountants who are held to a higher standard of professional conduct by regulatory bodies.

If the SEC does make exceptions for these types of metrics, then additional other exceptions would have to be considered for other reporting matters now or in the future. Having one firm attest to the completeness and accuracy of all financial and non-financial matters in a company's annual reporting is more beneficial and less costly as that firm would have full visibility into all metrics and be able to connect financial impacts from non-financial events; thus, allowing for more scalability.

Regarding the requirement or lack thereof for internal control attestations on GHG emissions disclosure, the current SEC documentation related to limited assurance states:

The proposed rules would not include any requirement for a registrant to obtain an attestation report covering the effectiveness of internal control over GHG emissions disclosure, and therefore such a report would not be required even when the GHG emissions attestation engagement is performed at a reasonable assurance level.

This statement in the proposed language appears to be conflicting statements in the proposed requirements regarding the need for internal controls. Audit professionals required to attest to the accuracy or completeness of the information and the clients' verification of the accuracy of the data, inherently, will need to review the internal controls for data collection, completeness and precision and consider their sufficiency as it relates to the metrics being reported.

Climate Strategy and Sustainability Data Reporting Requirements

See proposed 17 CFR § 229.1502 (Item 1502) Strategy, business model, and outlook.

The SEC's proposed language regarding the following specific reporting requirements lacks detail and Moore North America's response follows:

Proposed Time Horizons and the Materiality Determination for Climate-Related Risk Reporting

See proposed 17 CFR §229.1502 (Item 1502) Strategy, business model, and outlook.

The proposed language requires reporting for "short term, medium term and long term periods" but does not specify an actual timeframe for each reporting period. Moore North America recommends the following:

Short term = 1-3 years
Medium term = 4-10 years
Long term = 11-20 years

Disclosure of Carbon Offsets or Renewable Energy Credits if Used

See proposed 17 CFR §229.1502 (Item 1502) Strategy, business model, and outlook and §229.1506 (Item 1506) Targets and goals

To reduce exposure of listed companies to fraudulent carbon offset certificate providers which will cause a reputational risk, Moore North America recommends that the SEC require greater transparency regarding carbon offset reporting. Specifically, we recommend that each reported carbon offset certificate include the retirement date and vintage year of underlying projects and verification of the total amount of carbon removal achieved by the offset.

Additional Recommendations for Consideration

Climate-related Opportunities – make this a required provision of the disclosure rule to improve transparency regarding transition planning and impacts to financial performance. Additionally, this requirement will improve consistency of disclosures and alignment with TCFD.

See proposed 17 CFR §229.1503 (Item 1503) Risk management



Presentation of Climate Disclosures in Registration Statements and Annual Reports – require an executive summary listing policy commitments, goals and targets, carbon emissions metrics (total emissions and emissions intensity per million revenue), location of operations (zip code), and SASB Sustainable Industry Classification System Code. This requirement will improve industry benchmarking, adoption of best practices, and help companies identify strategic business partners.

See proposed 17 CFR 239 and Part 249-Forms Prescribed under the Securities Act

We have no further comments.

About Moore North America

Moore North America is an association of accounting and consulting firms, and a member of Moore Global Network Limited (Moore Global). On a combined basis, Moore Global member revenue exceeds \$3 billion, making it the twelfth largest accounting network in the world. The 35 Moore North America members are separate and independent firms with more than 120 offices based in the United States, Canada, and Mexico. Moore North America does not provide professional services of any kind. Services are provided by Moore North America's members, who are not legally bound to one another. The firms that comprise Moore North America are able to leverage their complimentary skill sets to provide industry and technical expertise for domestically and globally active clients, enabling Moore North America member firms to compete with larger, national firms.