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## Invitation to comment on File Number S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ladies and Gentlemen,

We highly appreciate the opportunity to comment on the US Securities and Exchange Commission's (SEC) proposed rule, File No. S7-10-22. This comment letter summarizes the Allianz Group's key positions on the proposals outlined therein as well as, especially, question #189.

We would first like to highlight that, in order to steer sustainable investments successfully, and identify and manage sustainability risks comprehensively and correctly, **the availability, high quality and comparability of ESG and, especially, climate data is key**, which is why Allianz Group highly welcomes the current momentum as regards improving climate reporting as well as achieving global harmonization and standardization. Indeed, as one of the leading globally active investors and asset managers, we need high-quality and comparable climate information about all of our investee companies worldwide. Consequently, **we highly welcome the SEC's initiative to introduce a rule for the mandatory disclosure of climate-related information**, with the aim of providing comparable and reliable information that is decision-useful for investors.

Related to this, **we highly welcome the SEC's approach to build on the well-established work of the Task Force on Climate-related Financial Disclosures (TCFD)** which is already broadly applied, has achieved significant market acceptance, and forms the basis of many climate-related disclosure requirements formally implemented by jurisdictions around the world. Building on existing guidance is not only absolutely critical to achieve timely progress, which is key given the urgency to address climate matters, but also leverages synergies to the highest possible degree, which is beneficial for preparers and users. Most importantly, **the fact that both the SEC and the International Sustainability Standards Board (ISSB) build on the TCFD framework is particularly promising, strengthening the foundation for international alignment.**

Vorsitzender des Aufsichtsrats: Michael Diekmann.  
Vorstand: Oliver Bäte, Vorsitzender;  
Sergio Balbinot, Sirmo Boshnakova, Dr. Barbara Karuth-Zelle, Dr. Klaus-Peter Röhler, Ivan de la Sota,  
Giulio Terzariol, Dr. Günther Thallinger, Christopher Townsend, Renate Wagner, Dr. Andreas Wimmer.  
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Notwithstanding this, **we strongly encourage the SEC to closely monitor the development of the global baseline by the ISSB**, especially as regards the IFRS Sustainability Disclosure Standard on Climate-related Disclosures. For global players, it is absolutely essential that the SEC's final rule will be as consistent as possible and, especially, fully interoperable with the ISSB's global baseline, both from a preparer and user perspective. Indeed, this will enable comparability and greater usefulness of disclosures for investors as well as prevent double reporting efforts for preparers. Sustainability reporting standards should at best be equivalent and not differ at all, at least not in substance, where they cover the same contents, namely the baseline. As such, **we would highly welcome any efforts by the SEC to ensure consistency in the international and US disclosure frameworks, on the one hand, and to contribute to global alignment and the ISSB's work on the global baseline, among others via its membership in the newly set up jurisdictional working group, on the other hand.**

This shall, of course, not prevent the SEC or other jurisdictions from developing supplementary standards or requirements as a means to address jurisdictional specificities. Nonetheless, **structuring the SEC provisions in a way to encompass reports made pursuant to criteria developed by the ISSB from the beginning would allow to establish an equivalence mechanism without any additional provisions, which would be highly valuable for both preparers and users.** This should not be limited to foreign issuers, but also US players as, otherwise, they are likely to find themselves in a situation in which they need to report under two (potentially non-complementary) regimes, i.e., the SEC regime (for regulatory purposes) and the ISSB regime (to fulfil market expectations). Such double reporting burden should be avoided wherever possible. Please note that **Allianz Group has also strongly advocated for full interoperability and alignment with the global baseline in the EU sustainability reporting standard-setting context**, and communicated this position both to the EU Commission and the European Financial Reporting Advisory Group (EFRAG). We will use EFRAG's public consultation on its draft standards to reiterate the need for a global baseline and to emphasize our strong support of the ISSB's endeavour to develop a global baseline as well.

Finally, we would like to highlight that **we strongly welcome that the SEC proposes mandatory disclosure requirements on, among others, the following aspects:**

- **Scope 3 GHG emissions (if material);**
- **Transition plans; and**
- **Climate scenario analysis.**

Information on Scope 3 GHG emissions is material across virtually all sectors and, thus, a respective cross-industry requirement is highly valuable and should not only apply in case respective targets are set. Also, investors need Scope 1, 2 and 3 GHG emissions information to make effective portfolio strategy decisions. As regards transition plans and climate scenario analysis, such information clearly caters some of users' most fundamental information demands when it comes to climate-related reporting. Availability of this information is critical for helping companies and investors in assessing and managing financial and business risks and opportunities from climate change.

We hope that our feedback is helpful for you. Please feel free to contact Dr. Julia Menacher [REDACTED] or us to discuss any matters raised in this letter.

Yours sincerely,



**Giulio Terzariol**  
CFO / Member of the Board of Management



**Dr. Roman Sauer**  
Head of Group Accounting & Reporting