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June 14, 2022

*Via Email: rule-comments@sec.gov*

The Honorable Gary Gensler  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

**Re: Public Input on Climate Change Disclosure – File No. S7-10-22**

Dear Chair Gensler:

Ecolab Inc. (“Ecolab”) appreciates the opportunity to provide comments in response to the March 15, 2021 request for public input proposed rules from the U.S. Securities and Exchange Commission (the “Commission”) regarding climate-related disclosures.

Sustainability is core to our purpose to make the world cleaner, safer and healthier – protecting people and vital resources. Ecolab has committed to halve its carbon emissions by 2030, to achieve net-zero carbon emissions by 2050, and to achieve 100% renewable electricity by 2030. We have also committed to water savings goals that are closely related to our climate commitments. We can make a difference through our own operations, but we can make a much larger difference with our customers, and we have established carbon reduction, water savings and other sustainability goals to help our customers achieve their own sustainability goals. Since 2007, we have published an annual corporate sustainability report, and we continued our reporting in June of this year with our 2021 Corporate Sustainability Report and 2021 Corporate Responsibility GRI (Global Reporting Initiative) Report.

In our experience, collecting and disclosing climate-related information poses unique challenges. There are inherent calculation difficulties, particularly with respect to Scope 3 emissions, standards for climate change analyses and disclosures continue to develop rapidly, climate disclosures have not historically been subject to the disclosure controls and procedures applicable to financial reporting, and the resources and controls for obtaining an assurance review are not well developed.

With this as background and context, our comment letter focuses on specific challenges of compliance with the proposed rules from the perspective of an organization that already reports significant climate-related information. We believe these suggestions would reduce the substantial additional time, effort and cost that would be required to comply with the proposed rules in ways that would not impede the Commission’s ultimate goals of eliciting transparent and comparable disclosures for investors.

- **Reporting Deadline** – The deadlines for filing annual reports under Commission rules, especially for “large accelerated” filers, are much earlier than current practices for sustainability and climate reporting. Due to the breadth, depth and technical nature of the information required, Ecolab publishes its sustainability and climate disclosures in June of each year for the prior year. Accelerating sustainability disclosures to align with current annual report deadlines would require substantial cost and effort and would require many companies to estimate fourth quarter climate-related information.

So long as this information is published annually, the Commission could permit climate-related disclosures to be filed as an amendment to the annual report, so it does not delay the filing of other information, or with a subsequent quarterly periodic report. Reporting climate-related information six months or more after the end of the fiscal year would be more consistent with current practices.

- **Periods Initially Covered** – The proposal generally requires filers to present quantitative climate-related information for three years – the most recently completed fiscal year and the earlier years included in the consolidated financial statements. Since many companies will be making these disclosures for the first time, and even those with previous experience will have to adjust their disclosures for the new rules, we suggest the Commission only require information beginning with the first fiscal year for which the rules are effective and then build to three years over subsequent years. The proposal notes that existing rules allow filers to omit information not reasonably available because it involves “unreasonable effort or expense,” but the standard for meeting this threshold is too high to allow relief for many companies.
- **Scope 3 Disclosures** – Calculating and presenting Scope 3 emissions are particularly difficult. Scope 3 disclosure standards, definitions and techniques are still evolving. Without accepted standards, definitions and techniques, any disclosures related to Scope 3 emissions are not likely to further the Commission’s goals of transparency and comparability. We suggest that the Commission defer Scope 3 disclosure requirements until accepted standards, definitions and techniques are developed. At the very least, eliminating the requirement that Scope 3 emissions data be disaggregated by each of seven constituent greenhouse gases and eliminating disclosure of GHG intensity in terms of metric tons of CO<sub>2</sub>e per unit of total revenue should be considered. The Commission should also address challenges that will arise from use of different reporting periods by a registrant and its suppliers and customers and go further than the proposal by expressly acknowledging that filers are likely to apply a wide range of methodologies to the calculation of Scope 3 emissions data and to have significant gaps in their ability to collect reliable information.
- **Compliance Timeline** – We believe the Commission should provide more time for compliance than the illustrative timeline in the proposal. The amount of work required to collect and report the required data is substantial. Companies will need to implement operational reporting changes, additional investments in equipment and reporting technologies, governance enhancements, develop their climate-related infrastructure and expertise and work with their auditors to ensure that the accounting standards are being properly applied to climate-related impacts and disclosures. We suggest the final rules should allow at least one year between adoption of final rules and the beginning of the first reporting period for which the rules apply.

We appreciate the opportunity to provide comments on the climate-related disclosure proposal.

Respectfully,



Michael C. McCormick  
Executive Vice President, General Counsel and Secretary  
Ecolab Inc.