



First Commonwealth Financial Corporation

110 Riverbend Avenue

Lewis Center, OH 43065



June 17, 2022

The Honorable Gary Gensler  
Chairman  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

RE: Proposed Rule: The Enhancement and Standardization of Climate-Related  
Disclosures for Investors [File Number S7-10-22]

Dear Chairman Gensler:

First Commonwealth Financial Corporation (“First Commonwealth”) is the holding company for First Commonwealth Bank, a community bank based in Indiana, Pennsylvania with 119 community offices in Ohio and Central and Western Pennsylvania. First Commonwealth Bank fulfills its mission of improving the financial lives of its neighbors and their businesses by providing a full range of commercial banking, consumer banking, mortgage, equipment finance, wealth management and insurance products and services throughout its markets.

We appreciate the opportunity to comment on the Proposed Rule. For the reasons described below, First Commonwealth opposes the Proposed Rule in its current form and encourages the Commission to withdraw and re-propose the rule in a manner that more appropriately tailors the requirements to the materiality of the disclosure to investors.

We believe that mandating extensive disclosures around non-financial information is a departure from the traditional mission of the Commission and creates a precedent of politicizing the disclosure process in a manner that is unhelpful to investors, and potentially destabilizing to financial markets. The Proposed Rule goes far beyond what reasonable investors would need to know to inform their decisions about whether to buy, sell or hold stock, or how to vote on company proposals. Climate-related issues, including emission of greenhouse gases, are not material to all investors or for all companies. Yet the proposal would require Scope 1 and 2 emissions to be disclosed and audited by all publicly-traded companies as well as require new and granular ways to include climate issues within the financial statements. The Commission should put investors’ climate concerns in context with other investor concerns. A focus solely on – or too focused on – climate concerns can lead to broad economic dislocation and damage, which does not benefit the investors that the Commission is seeking to protect.

We also believe that the Commission can and should tailor disclosure requirements to the size and complexity of the registrant, as well as the materiality of the climate-related exposure. Even when climate-related issues are material to investor decisions, a prescriptive one-size-fits-all approach to disclosure is unnecessary and overly-burdensome to smaller companies such as First Commonwealth. Given the new and evolving nature of climate-related metrics and methodologies, allowing diverse approaches to disclosure within a principles-based framework will likely yield more efficient and effective processes to develop over the long term. Requiring

detailed prescriptive disclosures before we fully understand climate-related reporting will stifle innovation and create an unnecessary drag on the economy. We believe it is critical that the Commission include flexibility, safe harbors and sufficient implementation timeframes, particularly for smaller companies that may lack the expertise or resources to comply with complex new requirements.

In addition, we note that disclosure requirements for Scope 3 emissions could have unintended consequences when applied to banks. Disclosure of Scope 3 emissions has the potential to require banks to obtain disclosures from customers, including from privately-held companies and local municipalities. Even privately-held banks may need to reengineer their systems if they participate in GSE or Federal guarantee programs. The added burden of gathering the information necessary for the disclosures may encourage customers to avoid publicly-traded banks in favor of privately-held and less regulated lenders like fintechs. Such reallocation of capital and banking relationships is harmful to the overall economy and reduces economic choice and vibrancy.

Finally, we encourage the Commission to recognize that banks and bank holding companies are unique among publicly-listed companies. Banks are already highly regulated for safety and soundness. That regulation, while different from disclosure regimes, also serves to protect investors. Any further regulation by the Commission applied to banks needs to take into consideration that existing prudential regulation of banks and must be coordinated with prudential regulators to avoid contradictory, duplicative and/or unnecessary requirements that increase costs and burdens unnecessarily.

Thank you for your consideration of our comments.

Sincerely,

DocuSigned by:



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Matthew C. Tomb  
General Counsel