June 17, 2022

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File No. S7-10-22: Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

JLL is a leading professional services firm headquartered in Chicago, Illinois that specializes in real estate and investment management. As of March 31, 2022, we had over 328 corporate offices, operations in more than 80 countries, and a global workforce of more than 100,000 people.

As noted in our 2021 Annual Report on Form 10-K, we believe "the impact of climate change presents a significant risk." We currently seek to address this risk internally, with our clients and in strategic planning. To this end, we have aligned our commitments with climate science, setting a target to achieve net-zero emissions by 2040 across Scopes 1, 2 and 3.

We are committed to and support the Commission's objectives for enhanced transparency of climate impacts, mitigation activities, and the risks and opportunities facing companies. We know it is critical to maintain the trust of our stakeholders and provide them with a better understanding of the implications of climate change. Concurrently, well-designed disclosures can invite collaboration across sectors. In addition, we recognize the importance of consistent, comparable and reliable data for internal and external stakeholder decision-making. As such, we support the Commission's efforts to increase standardization of climate-related disclosures so readers can better compare companies and make risk-informed decisions. Further, we believe consistency, comparability and reliability is maximized by leveraging the existing standards and frameworks, notably the Task Force on Climate-related Financial Disclosures ("TCFD") and the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.

At the same time, we believe the Commission's approach to enforcement must incentivize companies to take meaningful action to reduce greenhouse gas emissions and support their upstream and downstream partners to take similar action. Solutions that facilitate accuracy, standardization, cost-effectiveness, and ease of implementation should be encouraged. Importantly, a rule of this magnitude necessitates the Commission allow companies (1) the appropriate safe harbor to make good-faith efforts to comply with disclosure requirements and (2) sufficient time to ensure the disclosures are based on complete and verifiable data rather than estimates which are more likely to need revision. This is particularly important given the complexity of Scope 3 reporting. Taking a penalizing approach creates headwinds toward the overarching objective of driving progress on sustainability.

We welcome the opportunity to share specific comments on the proposal. We have also been in discussions with real estate industry groups and associations and cite those positions where we are aligned.

I. Disclosure within Audited Footnote and Financial Statements[1]

We ask the Commission to ensure any final rule requiring quantitative disclosures in the audited footnotes to the financial statements reflects only balances that exist in the financial statements of the given period(s). For example, requiring the quantification of lost revenue or avoided expense as a result of a climate-related event is subject to substantial assumptions and judgement and we believe the cost and effort required to compile and audit such a disclosure outweighs the benefits. We still note for the Commission that there remains complexity as it relates to actual balances included in the financial statements as registrants, for example, will need to bifurcate a singular expenditure between an ordinary-course expense and any portion related to matters the Commission has proposed requiring disclosure.

As an alternative, the Commission should consider requiring disclosures within Management's Discussion & Analysis or another designated Item outside of the audited footnotes and financial statements in Form 10-K. This would have the benefit of consolidating climate-related disclosures within Form 10-K which should improve the ability of readers to obtain necessary insight without having to piece together multiple disclosures.

We ask the Commission to revise its materiality threshold (proposed as a bright-line 1% of the financial statement line item) to align with the principles-based definitions referred to in the Commission's existing rules and regulations. We believe the 1% threshold would require disclosure of immaterial amounts given the size of certain financial statement line items. As a result, there would be meaningful additional costs (with minimal value to shareholders) to implement more granular internal and disclosure controls and procedures in order to comply with this materiality threshold. We believe such a bright line does not align with the materiality principle the SEC Staff discusses in SAB No. 99, "*The use of a percentage as a numerical threshold, such as 5%, may provide the basis for a preliminary assumption*" regarding materiality but *"it cannot appropriately be used as a substitute for a full analysis of all relevant considerations."*

[1] Section II.F of *The Enhancement and Standardization of Climate-Related Disclosures for Investors* https://www.sec.gov/rules/proposed/2022/33-11042.pdf ("The Proposal")

II. Greenhouse Gas (GHG) Emissions Disclosures[2]

JLL concurs with the Real Estate Roundtable (RER) position that any final rule should foster uniform standards to quantify GHG impacts.

- All effort should be taken to align with the International Sustainability Standards Board (ISSB) and EU Sustainability Reporting Standards (ESRS), to call out two specific examples, to minimize compliance burden as well as improve consistency in how activities are measured and disclosed across companies and their various jurisdictions.
- A Safe Harbor for utilizing EPA and other government tools should apply. Specifically, a registrant should have assurance that reported emissions receive protection from liability when the reported amounts are: (1) reasonably quantified by professionals with expertise in GHG calculations and (2) based on the best available information, using the most recent data and methods, from the U.S. EPA and other federal agencies.

We believe the mandated timing of annual emissions disclosures must allow for a reasonable amount of time (we recommend allowing at least six months following the fiscal year end) to ensure registrants are able to complete their aggregation/review procedures and execute disclosure controls. It would be undesired if registrants needed to delay the filing of Form 10-K in order to prepare proposed emission disclosures. Further, for companies that do release GHG emissions, the current timing of these voluntary disclosures indicate final emissions data is unlikely to be available by the filing deadline for a meaningful number of registrants. While the Commission seeks to provide relief in the form of allowing for revisions in future disclosures (e.g., Form 8-K, Form 10-Q, etc.), the likelihood of a material revision is high enough to call into question the consistency, comparability, and reliability of the disclosure in Form 10-K. It places unnecessary onus on the financial statement reader to review subsequent submissions to ensure the disclosure included in Form 10-K was not subsequently revised. We ask the Commission to consider a separate disclosure outside the Form 10-K to maximize registrants having a single, final disclosure instead of an initial estimate and a subsequent, revised disclosure.

JLL concurs with the RER that the Scope 3 safe harbor language should include emissions estimates that are not intentionally fraudulent or made in bad faith and also encompass estimates that have a reasonable basis of data support. In addition, any safe harbor should insulate against both SEC enforcement and private lawsuits.

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[2] Section II.G of The Proposal

III. Attestation Requirements and Phased Transition Timeline[3]

We are prepared to obtain third-party attestation over our Scope 1 and 2 emissions and support the attestation requirement to drive greater comparability. In addition, we support keeping the attestation requirement solely to Scope 1 and 2 emissions.

Other than the required timing of Scope 3 emissions, we have no issue with the Commission's proposed timeline for transition. As it relates to Scope 3 emissions, the Commission proposes one additional year following the required disclosure of Scope 1 and 2 emissions before Scope 3 disclosures would be mandated. Given the reliance on third parties and the significant estimates and judgements required to determine Scope 3 emissions, we ask the Commission to thoughtfully consider whether one additional year is sufficient to ensure a consistent, comparable and reliable Scope 3 emission disclosure.

In summary, we support the overall objectives of the proposed SEC rule while at the same time noting care needs to be taken to ensure the requirements are not overly burdensome and do not result in a pull-back from public companies or the private sector in existing sustainability ambitions.

We sincerely appreciate the Commission's consideration of our views and are available to discuss any of the above comments.

Sincerely,

Benjamin Hawke
Chief Accounting Officer
[redacted]

Richard Batten
Chief Sustainability Officer
[redacted]

[3] Section II.H and Section II.M of The Proposal