

Climate Disclosures are Crucial to Solving Environmental and Economic Crises

We are living in an era when climate change and economic risk are each woven into the other's DNA – both of which have huge humanitarian costs. The only way to start making progress on these challenges is to get a clear picture of what's happening, which starts with consistent corporate climate transparency.

Climate change is widely [regarded](#) as the 'single biggest health threat facing humanity. It is said that 1 in 5 deaths are premature due to climate pollution. It is also said that through energy efficiency measures currently being considered, the average American family will save \$500 a year in utility costs. That is real money when you consider that people are choosing between gas or food right now.

Research shows if we continue to leave climate risks unmitigated, rising temperatures and extreme heat will also negatively impact [productivity](#) and [business investment](#) across the U.S. economy. These dynamics could result in slower GDP growth and diminishing corporate returns.

When it comes to companies and investors, environmental risk and economic risk are inextricably linked. That's why standardized disclosures of material climate risks, as [proposed](#) by the Securities and Exchange Commission (SEC), are crucial to fulfilling the agency's mission to protect investors, maintain fair markets, and facilitate capital formation.

The U.S. currently [lags behind](#) other nations when it comes to climate transparency. For example, the European Union already requires enhanced climate disclosures, and countries like the United Kingdom and New Zealand have confirmed plans to do the same. As the rotten fruits of climate change continue to wreak havoc at a global scale, both domestic and non-U.S. investors will [increasingly demand](#) similar disclosures from U.S. firms. That's why many companies — including 92% of S&P 500 companies — are already voluntarily reporting their climate-related policies and outcomes. Without regulatory standardization and accountability, however, these voluntary disclosures can be [inaccurate or misleading](#), and sometimes make it *more* difficult to identify risk-averse and climate-positive investments.

At [Builders Vision](#), an impact platform that uses philanthropy, investment, and advocacy to support those building a more humane and healthy planet, we believe the most successful companies of the future will be purpose-driven. They will work to leave the world a better and more sustainable place. In fact, we're seeing proof of this every day, as our investments in sustainable and environmentally friendly companies and industries continue to yield higher returns while generating measurable impact. In the over nine years we've been making ESG and impact investments, these investments have produced risk-adjusted returns on par or better than investments and benchmarks that do not consider ESG or impact.

As we and other investors continue to integrate ESG and impact strategies into our portfolios, we need consistent, comparable corporate transparency around environmental impact and

exposure to climate change risks. The SEC's proposed rules would provide access to vital and consistent data around emissions. This clarity will empower investors and consumers to evaluate and support businesses that prioritize sustainability, which we fundamentally believe are indicators of future profits. We also recognize that this isn't exactly a walk in the park for major companies. It will take industry collaboration and corporate leadership's commitment to make it happen.

We are proud to support the SEC's clear-eyed approach to climate disclosure, and we have signaled to our vast network of investors, fund managers, portfolio companies, nonprofits and policy partners we hope they will as well. For sustainability-focused platforms, like Builders Vision, standardized climate data enhances our ability to evaluate the systemic risks of climate change and invest in the companies that are best positioned to combat the crisis.

Lukas Walton is the Founder and CEO of [Builders Vision](#), an impact platform supporting individuals and organizations dedicated to building a more humane and healthy planet. He also serves as the Chair of the Environmental Committee of the Walton Family Foundation.