RE: File Number S7-10-22.

Dear Chair Gensler:

Thank you for this opportunity to comment on the Proposed Rule: The Enhancement and Standardization of Climate-Related Disclosures for Investors. Factory Farming Awareness Coalition (FFAC) is an educational nonprofit that educates diverse communities about the devastating impacts of industrial animal agriculture on climate change and public health. Our recommendations focus on meat, dairy, and egg registrants.

We strongly support increased disclosure requirements, especially for registrants that own meat processing facilities since these operations entail significant upstream and downstream Scope 3 emissions. As well, climate change is virtually certain to alter feed production locations and characteristics as well as the ability of livestock species to meet production goals, risks to which investors should be alerted. We also support increasing the transparency and accountability requirements of the attestation entities that report on these registrants.

Recommendations in Accordance with the Commission's Requests

104. We agree that a registrant should be required to disclose the data sources used to calculate the Scope 3 emissions, as proposed. With regard to slaughterhouses and meat packing operations, we think upstream activities should include all the products and processes involved in producing the animals for slaughter, i.e., producing fertilizer, growing feed, inseminating animals, raising animals (whether or not contracted out), transporting live animals to slaughterhouses and meat packing facilities. Downstream activities should include processing, transportation to warehouses and ultimately to commercial kitchens and retail establishments.

106. A registrant should be required to disclose its Scope 3 emissions to describe the data sources used to calculate the Scope 3 emissions, as proposed, including the use of: (i) Emissions reported by parties in the registrant's value chain, and whether such reports were verified or unverified; and (ii) data concerning specific activities, as reported by parties in the registrant's value chain. These reports add credibility to the registrant's Scope 3 emissions report. For example, where the registrant is a slaughterhouse, a GHG emissions report from a fertilizer company

producing fertilizer to grow corn and soy for animal feed would be germane, and reinforce the registrant's report. Likewise, a GHG emissions breakdown from a contract farmer raising pigs for slaughter would add clarity to the registrant's Scope 3 emissions report.

115. We agree that registrants should be required to disclose all methodology, inputs, and assumptions used to calculate GHG emission metrics, as proposed, and to follow methodology pursuant to the GHG Protocol's Corporate Accounting and Reporting Standard. Investors will be unable to compare registrants' GHG emissions figures and factor them into their investment decisions if registrants don't utilize a common methodology. Investors need consistency across industries and among companies within each industry.

116. We agree that a registrant should be required to disclose the organizational boundaries used to calculate its GHG emissions, as proposed. Investors should know whether the registrant included some or all of its holdings in calculating its GHG emissions. The registrant should determine its organizational boundaries using the same scope of entities, operations, assets, and other holdings within its business organization that it used in its consolidated financial statements, as proposed, in order to assist investors in their analyses of the registrant's organization. The registrant should use the same reporting scope in its emissions report and financial statement to simplify investors' evaluations of the registrant's operations.

128. Where a registrant discloses data gaps encountered when calculating its Scope 3 emissions or other types of GHG emissions, the registrant should be required to discuss whether it used proxy data or another method to address the gaps, and how its management of data gaps has affected the accuracy or completeness of its GHG emissions disclosure. Disclosing gaps in the registrant's data is fundamental, and the use of proxy data misleading unless disclosed. Investors may or may not trust the proxy data, but they have a right to know about it in order to make that determination.

134. We find the exemption for smaller reporting companies (SRCs) to be unreasonable, since the SRC definition is based purely on financial or economic criteria, which have no bearing on quantity or nature of GHG emissions. Thus, SRCs may easily still have material Scope 3 emissions, perhaps even in quantities disproportionate to their financial status. This becomes even more important in light of administration efforts to de-consolidate the meat-packing industry,[1] which could result in the creation of a substantial number of SRCs. Additionally, the industry itself could take that action under the guise of "increasing competition" to minimize further regulatory pressure as well as to avoid reporting requirements under this rule. The result could be an equivalent production of emissions, but now generated by potentially dozens of SRCs exempt from the rule's Scope 3 provisions. Additionally, the setting of a goal by a registrant is also irrelevant to eligibility for an

exemption, since the goal may be random, meaningless and unachievable, and may not necessarily be proportional to Scope 3 emissions.

144-147. We appreciate the Commission's attempts to ensure that attestation providers are held to reasonable standards of competence. However, optional membership in an accreditation body may not be identical to actually being accredited by that body. Thus, we suggest that the provision for membership in the accrediting body be replaced by a requirement for actual accreditation by such a body, and that the registrant be required to confirm in the report that its provider is in good standing with a recognized accreditation body. Such good standing should be predicated upon periodic review of the attestation provider by the accreditation body.

Additionally, we recommend that the accreditation body be certified by a nationally recognized commission on certifying agencies, such as the National Commission for Certifying Agencies, the accrediting arm of the Institute for Credentialing Excellence, the recognized standard in the field.

We agree that expertise requirements must be specific, including prescriptive requirements related to the qualifications and characteristics of personnel under the proposed rules. Such requirements should not only mandate an attestation provider firm to have established policies and procedures to confirm that firm personnel have the required skill set and reasonable with a recognized accreditation body. Such good standing should be predicated upon periodic review of the attestation provider by the accreditation body. Additionally, we recommend that the accreditation body be certified by a nationally recognized commission on certifying agencies, such as the National Commission for Certifying Agencies, the accrediting arm of the Institute for Credentialing Excellence, the recognized standard in the field.

We also agree with the Commission's proposal that attestation providers be independent of any and all corporate relationships to the registrant and its affiliates and subsidiaries. We find such provision to be necessary and appropriate to ensure objectivity, completeness and accuracy of reporting. We support the Commission's criteria by which an attestation provider might fail to meet criteria for independence, as well as the Commission's proposal regarding conflicts of interest and whether the attestation provider appears to be an employee or advocate for the registrant. The Commission should consider all relevant circumstances and relationships, of any type or to any degree, in assessing such conditions.

168-169. We find that the Commission should at least encourage registrants to establish meaningful, realistic GHG reduction targets or any other climate- or environment-related target or goal, and to disclose such targets. Other suggested targets might include resource use from tropical rainforests, water usage, water quality (including protection from erosion and manure pollution), and adverse impacts to biodiversity. Continued failure to meet reasonable goals in these metrics would likely increase pressure on regulatory bodies to propose and enforce stricter requirements, which would likely affect a registrant's costs, and therefore, financial performance and position. The most meaningful targets would satisfy most, if not all, of the criteria established in Question 169. Far from discouraging registrants from setting such targets or goals, such provisions could increase competition among registrants to meet such targets, and thus better impress and attract investors. Additionally, we encourage the Commission to require registrants to compare themselves to other registrants of similar capitalization in the same sector to facilitate and foster such competition and increase transparency to current and future investors.

Additional Recommendations

We support the Commission's intent to include upstream Scope 3 emissions, but the proposed rule should specify "all" upstream Scope 3 emissions. For the meat industry, this should include emissions associated with the production of feed and agricultural chemicals, as well as direct emissions from the animals and from manure. Such a provision should also specify that required reporting includes emissions generated by private (i.e., not publicly held) parties, contract farmers, contractors, corporations, or other entities. This provision should also specify that such reporting includes domestic emissions as well as those generated outside the United States and its territories. We see no evidence of any proposed provisions addressing such concerns.

Finally, we support a requirement that registrants disclose any foreign land use change, specifically destruction of rainforest to grow crops for animal feed or to graze cattle. The environmental impacts of rainforest loss are so devastating that they should be disclosed to investors.

Respectfully,
Amy Halpern-Laff

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Factory Farming Awareness Coalition