



June 17, 2022

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, DC 20549

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

Dear Ms. Countryman,

Green Century Capital Management, Inc. (“Green Century”) writes in support of File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors. We appreciate all of your hard work to ensure the proposal meets the needs of investors for material climate-related information and also furthers the SEC’s objectives to maintain fair, orderly, and efficient markets and facilitate capital formation.

Green Century is the investment advisor to the Green Century Funds, which are a family of fossil fuel-free, environmentally responsible mutual funds. Green Century hosts an award-winning and in-house shareholder advocacy program and is the only mutual fund company in the U.S. wholly owned by environmental and public health nonprofit organizations.

Thirty years ago, the group of environmental and public health nonprofits that founded Green Century decided to help people save for their future without compromising their values. It was a simple concept, but one that was only being used by a handful of pioneers in the socially and environmentally responsible investing space.

Since then, Green Century has grown into a leader in the environmentally and socially responsible investing field, providing mutual funds for individuals and institutions to keep their money out of the most environmentally irresponsible industries while using Environmental, Social, and Governance (ESG) performance ratings in investment analysis and portfolio construction to invest in corporate sustainability leaders.

Green Century has worked to understand the environmental impact of the companies it invests in for decades and has long prioritized taking an active role in responding to the financial risks related to climate change. Our staff of three full-time shareholder advocates engages with dozens of companies held in our funds each year to better understand how they are responding to and mitigating these risks.

We support the SEC’s proposal because it would result in decision-useful, comparable climate risk information that is vastly improved compared to disclosures that are currently available, and which our shareholder advocates currently expend significant time gathering and assessing. We appreciate the SEC’s

integration of nearly all of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into your proposal, because the TCFD recommendations cover many of the essential elements of climate risk disclosure that we use for our decision making and are broadly supported and used by companies, investors and securities regulators worldwide. We also support the SEC's inclusion of a greenhouse gas emissions reporting requirement in the proposal, because this information is critical to our understanding of the quality of a company's earnings in the face of climate change and the energy transition.

Green Century supports the SEC's provisions for requiring assurance of certain greenhouse gas emissions disclosures, and for the phasing in of reasonable assurance over time, because assurance is needed to ensure that we receive accurate, relevant and consistent information about emissions, which is currently very difficult to obtain. Further, because climate-related impacts or risks can materially affect a company's financial position and operations, we support the inclusion of some climate-related information in the financial statements; this also promotes consistency in information across a company's reporting. Finally, global alignment of climate risk disclosure standards is essential to both investors and issuers, so we support the SEC's efforts to align its proposal with developing ISSB climate risk disclosure standards.

In regard to climate risk disclosures, Green Century specifically values the disclosure of Scopes 1, 2, and 3 greenhouse gas emissions data as well as issuer-specific climate risk because we use the information to: 1) assess the alignment of particular companies' emissions profiles with our desire to achieve portfolio-wide net-zero emissions by 2050; 2) evaluate the full scope of companies' direct and indirect emissions in order to identify emissions leaders and laggards and thereby appropriately engage with companies to encourage improved performance; and 3) as diversified investors, better understand companies' full value chain emissions and their potential to create climate risk for the rest of our portfolio holdings.

Currently, greenhouse gas emissions data is neither easily accessible nor consistently reported. Even though a variety of providers now offer information on corporate carbon footprints (including MSCI, S&P Global, Clarity AI, and CDP), these providers can be expensive and therefore sometimes inaccessible to small asset managers like Green Century. Further, these providers often offer incomplete information. For example, while CDP reports can provide some insight into issuers' emissions, CDP does not require reporting of Scope 3 emissions nor third-party verification of the accuracy of emissions data.

Many Green Century investors, who often choose our funds in part because of our environmental mission, expect that we will make a rigorous effort to account for and reduce climate risk across our portfolio. The absence of comprehensive emissions data from companies, even some with market capitalizations in the hundreds of billions of dollars, creates a significant impediment to fulfilling our investors' expectations. Absent reliable and consistent disclosures of Scopes 1, 2, and 3 emissions, we are not able to identify the full climate impact of the companies we hold. This makes it difficult to effectively focus our engagements on the companies in our portfolio with the most significant emissions profiles. While we can make reasonable assumptions about companies' Scope 1 and 2 emissions, we often have little to no insight into companies' Scope 3 emissions. Scope 3 emissions may make up 90% or more of total emissions for many companies we hold, especially in sectors like food and agriculture. This leaves us in the uncomfortable position of guessing where climate risk resides in our portfolio.

We therefore encourage the SEC to require reporting of Scope 3 emissions for all filers regardless of size, appropriately phased in accordance with the size of the filer. Because shareholder advocates as well as civil society have been pushing for Scope 3 emissions reporting for several years, methodologies and data sets are now more readily available and will likely continue to improve. We believe that demand by large accelerated and accelerated filers for the tools, data, and services necessary to develop and report on Scope 3 emissions will facilitate the reporting of Scope 3 emissions by smaller entities.

Again, we thank you very much for your efforts and consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Leslie Samuelrich". The signature is written in a cursive style with a prominent initial "L" and a long, sweeping underline.

Leslie Samuelrich
President
Green Century Capital Management
Green Century Funds