

The U.S. Technical Advisory Group (TAG) to the International Organization of Standardization (ISO) Technical Committee (TC) 301 (Energy management and energy savings) is the U.S. national committee administered by Georgia Tech Energy and Sustainability Services (GTESS) and responsible for providing U.S. input for the development, review, and revision of ISO energy and net zero standards. GTESS is a U.S. American National Standards Development Organization (ASD) and administrator of the U.S. TAG to ISO TC 301. We support the SEC's S7-10-22 *The Enhancement and Standardization of Climate-Related Disclosures for Investors* proposing regulations for climate disclosures under 17 CFR 210.14-01 and 17 CFR 229.1500-1506.

We respectfully submit the following comments:

Climate-related financial disclosures are aimed at providing key stakeholders (especially investors) with qualitative and quantitative information including but not limited to:

- Physical climate risks and impacts
- Transitional climate risks and impacts
- GHG Inventory
- climate risk oversight and management

There are several ISO standards that can assist with these various topics and can help organizations manage these topics. Given that energy is a key component that most organizations can affect – one of the ISO standards that should be considered is ISO 50001 Energy management. In general, both ISO and relevant American National Standards include requirements about documentation, records and methodology, retention and documentation, etc. that provide guidance on aspects of the business and data processes that would underlie disclosure. Many of these standards address goal and target setting, in the case of ISO 50001 those targets are specific to energy and improvement of energy efficiency or reduction of energy consumption. Currently, ISO has mapped over 420 standards related to this topic within the ISO system. Understanding how these can provide benefit to the SEC objectives could be a useful in supporting the implementation of this potential regulation. Recognizing the existing relevant international or national standards can reduce conflict with requirements that multinational business must meet. Utilizing this body of work would also reduce the develop costs for both SEC and the organizations applying the SEC regulation.

Disclosure can provide a concern to companies about information that would be available to shareholders, NGO's, government, potential customers, or other stakeholders. Additionally, reporting can generate concerns related to litigation risk. The presence of a litigation risk and potential of customers having access to reported data are drivers for the uptake of "assurance" (also known as verification) services for climate-related financial disclosures. Recognition of these risks will influence companies, leading them to potentially seek assurance on all the reporting aspects to minimize risk. Given the underlying needs this will generate, SEC might consider how to engage American Standards Development organizations to address specific assurance needs, data management to support reporting objectives, and/or management and improvement of the processes related to energy, energy management, GHG inventories, and/or carbon accounting. Alternatively, determining how existing international standards can be used in support of this regulation should be considered. Engaging the current standards community would provide an opportunity to engage the broad class of affected stakeholders.

Disclosures will be analyzed by stakeholders for current exposures, how well the company is managing risk, the rigor and oversight of internal controls as well as procedures for data quality management and reporting. For investors, this analysis will factor into investment decisions. The management of this data,

reporting of the data, and disclosures associated with this data will be a concern for the businesses involved. Developing clear guidance on the key issues, accounting principles to be applied, defining the level of assurance needed, and how the data will be reported to stakeholders will be crucial to the successful implementation. Presentation of both positive and negative risks being included to allow organizations to present a balanced view for the stakeholders, should be considered. Potential to expand this consideration to the supply chain is likely but should balance long term contractual relationships and the need for strategic management at a corporate level. There are already ISO documents related to governance that address the topic in general, however, a guidance document on energy services could be of use in this area. There are several strategic energy management initiatives within the U.S. that could facilitate an implementation approach of strategic corporate management and reporting related to energy and carbon. One benefit of strategic energy management in the U.S. is the existing verification and validation processes and related competence that is in place. We recommend consideration of this existing resource, in future.

In summary, we kindly ask for consideration of the existing strategic energy management and verification activities as well as current national and international standards that can support the SEC objectives.

Thank you for the opportunity to comment on the proposed regulation.