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August 31, 2023

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

*Via:* rule-comments@sec.gov

Re: File No. S7-10-22

The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman:

On June 17, 2022, and March 10, 2023, the Travelers Companies, Inc. (“Travelers”) provided comments (the “previous letters”) on proposed rule release Nos. 33-11042, 34-94478, File No. S7-10-22 with the above captioned title (the “proposed rule”)<sup>1</sup>. We are providing this comment letter to supplement our previous letters.

Since submitting the previous letters, Travelers has continued to consider the proposed rule as we assess the availability and accuracy of the information needed to implement the proposed rule’s disclosure requirements. As a result, we would like to highlight a significant issue with proposed § 229.1504(e)(2) that was not included in our previous letters.

Proposed § 229.1504(e)(2) provides that the organizational boundary must be consistent with the scope of entities, operations, assets, and other holdings as those included in the registrant’s consolidated financial statements. Travelers wholly owns approximately 175 buildings which are leased to approximately 630 tenants for investment income purposes. In most cases, Travelers does not have operational

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<sup>1</sup> See Comments of the Travelers Companies, Inc., File No. S7-10-22 (June 17, 2022) available at <https://www.sec.gov/comments/s7-10-22/s71022-20132324-302883.pdf> and (March 10, 2023) available at <https://www.sec.gov/comments/s7-10-22/s71022-20159073-327165.pdf>.

control of the property – the tenant does – and the lease does not provide Travelers with the right to require the tenant’s emissions information. As a result, Travelers does not have the right to obtain this information for purposes of reporting Scope 1 and Scope 2 emissions and further does not have any influence over the emissions produced by these tenants. The rules should allow a registrant to elect to report Scope 1 and Scope 2 emissions only for properties over which such registrant has operational control (consistent with the GHG Protocol).

This issue is similar, and in addition, to the issue we raised our June 17, 2022, letter regarding reporting GHG emissions for equity method investees, as proposed in § 229.1504(b)(2). Scope 1 and Scope 2 GHG emissions data should not be required for equity method investees as proposed since, under SEC guidance, registrants must apply the equity method to investments in private equity funds with passive ownership percentages as low as 3-5%. Travelers, as an example, is invested in almost 400 private equity funds and does not have the right to require that GHG emissions data be provided to it by the funds. As a result, Travelers does not have control over the equity funds or the right to obtain this information for purposes of reporting Scope 1 and Scope 2 emissions and further does not have any influence over the emissions associated with these funds. The rules should allow a registrant to elect to report Scope 1 and Scope 2 emissions only for equity investments where it has control over the investee (consistent with the GHG Protocol).

In conclusion, Travelers is very concerned that compliance with proposed § 229.1504(e)(2), with respect to real estate properties over which a registrant does not have operational control, and § 229.1504(b)(2), with respect to private equity fund investments and other similar passive equity investments to which SEC guidance requires that the equity method of accounting be applied, will not be possible since, under these circumstances, registrants do not have control or the right to obtain such information and further do not have any influence over the emissions associated with these investments. The rules should allow a registrant to elect to report Scope 1 and Scope 2 emissions only for properties over which it has operational control and for equity investments where it has control over the investee (consistent with the GHG Protocol).

If the SEC nevertheless concludes that a registrant should be required to report emissions from properties over which it does not have operational control or from equity investments where it does not have control over the investee, we believe such emissions should be treated as Scope 3 (also consistent with the GHG Protocol). Furthermore, for the reasons stated in our June 17, 2022, letter, we continue to strongly believe Scope 3 disclosures should be voluntary and made in sustainability reports or other reports outside of filings with the SEC.

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We thank you for the opportunity to further comment on the proposed rule and would be pleased to discuss our views with the SEC in any forum the SEC may choose. If you

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have any questions or would like to discuss our comments, please feel free to call me at (860) 277-0537.

Sincerely,

A handwritten signature in black ink that reads "D. Keith Bell". The signature is written in a cursive style with a large, looped initial "D" and a prominent "K".