



November 3, 2025
The Honorable Lee Zeldin
U.S. Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20460

Re: Reconsideration of the Greenhouse Gas Reporting Program
(Docket: EPA-HQ-OAR-2025-0186)

Dear Administrator Zeldin:

On behalf of the US Sustainable Investment Forum (US SIF), I welcome the opportunity to provide comments in response to the Environmental Protection Agency's (EPA) proposed rule, "Reconsideration of the Greenhouse Gas Reporting Program" (**EPA-HQ-OAR-2025-0186**).

The Release seeks public input on its proposal to remove obligations on most source categories covered under the Greenhouse Gas Reporting Program (GHGRP). My comments focus on three important concerns: accounting for climate-related risk as financial risk, investors' need for climate data, and potential penalties companies will face if this rulemaking goes into effect.

US SIF is a membership organization representing 180 investors and trillions of dollars of assets under management. Our members represent investors throughout the capital markets value chain - from asset managers, managing billions in retirement dollars for average Americans; to data providers; financial advisors; and community development financial institutions, supporting local economies.

Climate-Related Risk Is Financial Risk

It is essential that the EPA considers the corporate value at risk from the physical and transition impacts of climate change when reconsidering the Greenhouse Gas Reporting Program.

Both investors and companies acknowledge that climate change has a material impact on business. The US SIF Sustainable Investing Trends 2024/2025 Report found that climate change is the most frequently considered environmental factor by investors (80%).ⁱ The

report also found that companies reporting headline climate-related risk to the Securities and Exchange Commission (SEC) have grown threefold since 2018.

Investors have been calling for increased disclosure and regulation around climate-related risks for decades because they recognize the impact these factors have on financial returns. Investors consider environmental risks, including those caused by increased GHG emissions, because they help investors manage risks and find opportunities. A recent Morgan Stanley report found that sustainable funds outperformed traditional funds in the first half of 2025 and assets under management in sustainable funds grew by 11% since December 2024.ⁱⁱ This trend is nothing new. A review of more than 2,000 empirical studies from 1970 through 2014 supports the business case for ESG investing. The review found that 90% of the studies demonstrated a non-negative relation between considering ESG criteria with corporate financial performance, a majority of the studies found a positive relation.ⁱⁱⁱ

A new MSCI study posits a materiality-weighted emissions approach to calculating a company's transition risk sees a stronger relationship with the company's equity market outperformance over a traditional total emissions approach and thus may explain the divergence between previous studies.^{iv} "Materiality-weighted" emissions include a company's scope 1 and 2 emissions and their scope 3 upstream and/or downstream emissions.^v Subsequently, the role of the GHGRP to provide reliable scope 1 emissions reporting is vital for investors to accurately track and model financial performance of their portfolios.

Nevertheless, short-term market pressures often distract from the long-term nature of investors' clients, who often are American workers saving for retirement. Large asset owners, like pension funds, who are invested across the entire economy, have a fiduciary responsibility to consider all factors that may impact the long-term, including climate change. In the last year, climate-related costs (such as insurance premiums, repairs and federal relief efforts) amounted to 3.2% of US GDP. Opponents of climate and emissions reporting often misstate both investor and corporate fiduciary duties as they typically focus exclusively on the short-term risks and opportunities. This myopic view threatens American companies' long-term competitive position and, therefore, in turn threatens domestic investor returns. According to McKinsey & Company, companies managed with a long-term view substantially outperform their short-term peers over time.^{vi}

Both investor fiduciaries and corporate directors have long-term legal obligations that make climate change highly financially relevant. Included in this is the duty of impartiality

which requires fiduciaries to balance the conflicting interests of different beneficiary groups in good faith. For instance, 25-year-old and 75-year-old beneficiaries have inherently different risk tolerances and investment time horizons, and fiduciaries cannot prioritize one group's interests over the other. This duty has significant implications for climate-related long-term risks and performance considerations that fiduciaries must address. The U.S. Supreme Court affirmed this principle in the 1996 case *Varity v. Howe*, stating that the common law of trusts mandates preserving assets for both present and future claims while impartially considering the interests of all beneficiaries.^{vii} In addition, nonprofit institutional investors and trust fiduciaries – like foundations and endowments— have what is called a duty of obedience to their charitable purpose. For these entities with a perpetual or long-term horizon, climate change impacts are likely to be very relevant to their long- and short-term mission goals.

As for corporates' legal obligation, 68.2% of Fortune 500 companies and 79% of all U.S. initial 2022 public offerings are incorporated in Delaware, which requires boards to manage companies with a long-term perspective.^{viii} The Delaware courts reinforced this obligation in *McRitchie v. Zuckerberg* (2024), stating directors are required to “seek to maximize the value of the corporation over the long term for the benefit of the stockholders as residual claimants to the value created by the specific firm that the directors serve.”^{ix}

As the current proposed rulemaking stands, our members hold significant concerns related to the 10-year delay in the implementation of the Waste Emissions Charge on methane emissions. Our investor members look at the long-term time horizons of companies' risks and opportunities. To our understanding, the delay in the charge did not delay obligation to report. To delay reporting will create a substantial gap in reporting data leading up to the harm assessment in 2032. Investors will face difficulties in accurately pricing the climate-related financial risks for oil and gas companies by the Waste Emissions Charge.

Regardless of the recent rise of climate change skepticism, investors and businesses are preparing for climate-related risks to have a seismic effect on economic growth. In the next five years, two-thirds of the global companies surveyed believe climate-related physical and transition risks will impact demand, costs, investment needs and relationships with investors.^x These concerns are notably highest in North America. Over half of all companies surveyed report climate-related events impacted their business in the past year.^{xi}

Investors Rely on Transparent and Consistent Climate Data

Investors value the GHGRP as a uniquely comprehensive and uniform reporting regime. The GHGRP provides investors with transparent and comparable data that allows them to compare ‘apples to apples’ across a wide set of companies. The GHGRP framework is highly revered for its consistency and high quality as “the most comprehensive national inventory of greenhouse gas data in the world,” acting as a model for other countries’ own reporting frameworks.^{xii} This historic and reliable data set enables investors to effectively track companies’ emissions and assess their progress towards their climate commitments. Having a history of data that corroborates a company’s targets and regulatory obligations builds credibility. Investors are thus able to benchmark companies, engage companies on these risks, and make investment decisions.

Investors require the data supplied by the GHGRP to adequately price transition and physical risks of companies in which they are invested. Investors strive to be as accurate as possible when assessing future risks and thus prefer company-created data. Mandatory programs such as the GHGRP are preferred to voluntarily sustainability reports for two reasons. Primarily, sustainability reports vary in completeness, reliability, and comparability. Secondly, smaller companies are much less likely to create voluntary sustainability reports.^{xiii} Even so, a 2022 survey found one-third of companies in the Russell 1000 do not disclose any environmental metrics, including GHG emissions.^{xiv}

The energy transformation marks itself as a growing risk and opportunity for investors, as they navigate pressures on the grid from regional conflicts such as the Russia and Ukraine war, climate-related events, and the growing energy requirements for technology like artificial intelligence (AI). Reliable GHG emissions data is an important metric investors use to construct their portfolios to ensure their portfolio companies are the most efficient and will compete on a global scale. Global energy security is a looming concern for many industries and investors, driving a record \$3.3 trillion in global investment in 2025.^{xv} Providing high quality data to the market will ensure the best solutions move forward.

Investors use GHG emissions data to build competitive and sustainable portfolios. If critical, public, company-created data is not available, investors will seek alternative methods to calculate emission data, which are often less accurate, less comparable, and more expensive to investors. A 2022 survey found institutional investors spend approximately \$1,372,000 annually “to collect, analyze, and report climate data to inform their investment decisions.”^{xvi} The top two most expensive costs investors incur are funding external ESG ratings, data providers, and consultants (approximately \$487,000)

and collecting climate data related to assets (approximately \$257,000). Reducing the availability of data to investors, specifically data of the caliber of the GHGRP, will increase investors' costs as they aim to fill the reporting gaps.

Without clear and consistent data on key factors, such as GHG emissions, investors will be forced to operate in an even more uncertain landscape, placing their returns, their portfolio companies' success, and even industry growth at risk.

Companies Caught in the Fallout

Investors and companies profit when they properly manage GHG emissions and climate risk. In a 2017-2024 analysis of global utility, energy, and technology companies, Bloomberg Intelligence found that the highest performers of GHG emissions management consistently outperformed the lowest scoring companies.^{xvii} As of 2024, only 45% of US-listed companies, as opposed to 73% of listed companies in developed markets outside the US, report their scope 1 and scope 2 greenhouse gas emissions.^{xviii} By reducing reporting requirements on facilities, this transparency gap is likely to widen and penalize companies in the long run, as corporates will be unable to meet external demands for emissions reporting. Investors will thus be left to make assumptions on companies' emissions and progress towards their climate commitments. In addition, without GHGRP data, companies may face greater litigation for risk for greenwashing claims as they will have limited data to support their environmental commitments.

US companies use GHGRP data to boost competitiveness with other markets, such as China, to prove cleaner, less carbon-intensive products. US Senator Sheldon Whitehouse (D-RI) warns that the "elimination of the GHGRP would likely harm the very companies supposed to benefit from fewer reporting requirements. GHGRP data allows U.S. industry to market itself as cleaner than the competition, which increasingly commands a premium in domestic and foreign markets. You will rob American industry of data giving competitive advantage over Chinese competitors."^{xix}

The United States is already trailing behind competitors such as China when it comes to innovation. The Australian Strategic Policy Institute reports that while in the early 2000s the US led in 60 out of 64 technologies and China led in only 3, by 2019-2023, the US only led in seven and China led in 57.^{xx} China leads on all 7 critical technologies for energy and the environment, with 3 technologies facing a medium technology monopoly risk and 2 others facing a high monopoly risk.^{xxi} In order to compete in emerging critical technologies, it is imperative for US policy to support the growth of clean energy industries, not hurt them.

Companies may also face increased compliance costs due to a patchwork of reporting requirements if the national reporting program is stripped away. These fragmented regulations will increase the complexity of compliance for businesses who operate in multiple jurisdictions. A number of states already have mandatory greenhouse gas reporting programs in place for facilities; such as [California](#), [Colorado](#), [Oregon](#), [Washington](#). While some programs like California and Washington are quite similar, other states like Oregon see much stricter thresholds.^{xxii} These programs often rely on the EPA's GHGRP for reporting and are otherwise often inadequate substitutes for companies and investors. In addition, other states and countries are creating carbon markets to curb GHG emissions that price companies' carbon emissions; such as, [California](#), the [Regional Greenhouse Gas Initiative \(RGGI\)](#), and the [European Union](#).^{xxiii} Companies no longer act on reducing carbon emissions for the sake of reducing emissions, rather they do so because these emissions are now a financial liability.

Conclusion

Weakening the GHGRP will put strain on investors, companies, and the US economy. Investors rely on transparent, comprehensive, and comparable data. Regardless of the future of the GHGRP, investors will continue to seek GHG emissions information, whether from direct facility or company reporting or from third-party or internal estimates. Without the GHGRP, investors will have less reliable and more costly data which may lead to mispriced risk, ultimately harming their returns.

Competitive markets around the world are pushing ahead in response to market demands to manage climate-related financial risk. I urge the EPA to continue to walk in the same direction and maintain the GHGRP.

Thank you for considering these comments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bryan McGannon", with a long horizontal flourish extending to the right.

Bryan McGannon
Managing Director

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- ⁱ US SIF Foundation, Report on US Sustainable and Impact Investing Trends 2024-2025: <https://www.ussif.org/research/trends-reports/us-sustainable-investing-trends-2024-2025-executive-summary>.
- ⁱⁱ Morgan Stanley, “Sustainable Funds Beat Traditional Funds in First Half of 2025,” September 8, 2025, <https://www.morganstanley.com/insights/articles/sustainable-funds-outperform-traditional-first-half-2025>.
- ⁱⁱⁱ Timo Busch, Alexander Bassen, and Gunnar Friede, “ESG and financial performance: aggregated evidence from more than 2000 empirical studies,” October 2015, <https://www.tandfonline.com/doi/full/10.1080/20430795.2015.1118917#d1e141>.
- ^{iv} MSCI ESG Research, “Materiality-Weighted Portfolio Carbon Footprint,” June 2025, <https://www.msci.com/downloads/web/msci-com/research-and-insights/paper/materiality-weighted-portfolio-carbon-footprint/Materiality-Weighted-Portfolio-Carbon-Footprint.pdf>.
- ^v MSCI ESG Research, “Materiality-Weighted Portfolio Carbon Footprint,” June 2025, <https://www.msci.com/downloads/web/msci-com/research-and-insights/paper/materiality-weighted-portfolio-carbon-footprint/Materiality-Weighted-Portfolio-Carbon-Footprint.pdf>.
- ^{vi} Dominic Barton et. al, “Where companies with a long-term view outperform their peers,” McKinsey Global Institute, <https://www.mckinsey.com/featured-insights/long-term-capitalism/where-companies-with-a-long-term-view-outperform-their-peers>.
- ^{vii} *Varity Corp v. Howe* (1996) U.S. Supreme Court, Justia, <https://supreme.justia.com/cases/federal/us/516/489/>.
- ^{viii} “Delaware Division of Corporations: 2022 Annual Report,” The Delaware Division of Corporations, 2022, <https://corpfiles.delaware.gov/Annual-Reports/Division-of-Corporations-2022-Annual-Report-cy.pdf>.
- ^{ix} *McRitchie v. Zuckerberg* (2024), Court of the Chancery of the State of Delaware, Justia, <https://cases.justia.com/delaware/court-of-chancery/2024-c-a-no-2022-0890-jtl.pdf?ts=1714494707>.
- ^x Morgan Stanley, “Companies See Sustainability as a Way to Create Value,” June 30, 2025, <https://www.morganstanley.com/insights/articles/corporate-sustainability-signals-report-2025>.
- ^{xi} Ibid.
- ^{xii} The University of Texas at Austin Center for Energy and Environmental Systems Analysis, “Why the Oil Industry Needs the Greenhouse Gas Reporting Program,” July 9, 2025, <https://www.ceesa.utexas.edu/energy-pathways/why-the-oil-industry-needs-the-greenhouse-gas-reporting-program>.
- ^{xiii} The Conference Board, “Report: Gap in Climate Disclosures Between Large, Small Cos,” January 20, 2022, <https://www.conference-board.org/press/climate-disclosures-gap>.
- ^{xiv} Diana Olick, “One-third of the largest US companies don’t disclose any of their environmental impact,” CNBC, April 28, 2022, <https://www.cnbc.com/2022/04/28/one-third-of-largest-us-companies-dont-disclose-climate-impact.html>.
- ^{xv} IEA, “Global energy investment set to rise to \$3.3 trillion in 2025 amid economic uncertainty and energy security concerns,” June 5, 2025, <https://www.iea.org/news/global-energy-investment-set-to-rise-to-33-trillion-in-2025-amid-economic-uncertainty-and-energy-security-concerns>.
- ^{xvi} The Sustainability Institute by ERM, “Costs and Benefits of Climate-Related Disclosure Activities by Corporate Issuers and Institutional Investors,” 2022, <https://www.sustainability.com/globalassets/sustainability.com/thinking/pdfs/2022/costs-and-benefits-of-climate-related-disclosure-activities-by-corporate-issuers-and-institutional-investors-17-may-22.pdf>.
- ^{xvii} Bloomberg Intelligence, “The Climate Economy: 2025 Outlook,” June 16, 2025, https://assets.bbhub.io/promo/sites/16/ClimateEconomyDeepDiveFINAL_PRINT.pdf.
- ^{xviii} Linda-Eling Lee, “US firms fall further behind global peers on climate disclosure,” MSCI, February, 29, 2024, <https://www.msci-institute.com/themes/climate/us-firms-fall-further-behind-global-peers-on-climate-disclosure/>.
- ^{xix} Letter from Senator Sheldon Whitehouse to EPA Administrator Lee Zeldin, May 7, 2025, https://www.epw.senate.gov/public/_cache/files/8/f/8f82a39e-1eed-466d-8842-7a0034976d7f/9507F8923C5EC1DA8D2A86C169E6C414AC7AF34DC88C4C4AC476C368D3105BF5.5.7.25-letter-to-epa-re-ghgrp.pdf.

^{xx} “ASPI’s two-decade Critical Technology Tracker: The Rewards of long-term research investment,” Australian Strategic Policy Institute (ASPI), August 28, 2024, <https://www.aspi.org.au/report/aspi-two-decade-critical-technology-tracker/>.

^{xxi} Ibid.

^{xxii} Lucas Bettle, “State GHG Emissions Reporting Programs,” ERA Environmental, September 8, 2025, <https://www.era-environmental.com/blog/state-ghg-emissions-reporting-programs>.

^{xxiii} Bloomberg Intelligence, “The Climate Economy: 2025 Outlook,” June 16, 2025, https://assets.bbhub.io/promo/sites/16/ClimateEconomyDeepDiveFINAL_PRINT.pdf.