August 3, 2026

Vanessa A. Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Proposed Rescission of Climate-Related Disclosure Rules (File No. S7-2026-19)

Dear Ms. Countryman:

On behalf of the US Sustainable Investment Forum (US SIF), I welcome the opportunity to provide comments in response to the Securities and Exchange Commission's (SEC) proposed rule, "Rescission of Climate-Related Disclosure Rules," (File No. S7-2026-19).

These comments focus on how this proposed rule ultimately harms the very investors the Commission is charged with protecting, creating systemic market inefficiencies, and weakening corporate governance in U.S. capital markets.

US SIF is a membership organization representing 180 investor firms 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 Risk Data is Material to Investors

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%).[1] 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 their financial returns. A study from the University of Chicago and University of Pennsylvania estimates the present value

[1] 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

of social costs generated by US companies' future GHG emissions at $87 trillion.[2] 77% of US companies' social cost of future GHG emissions, as defined by the EPA as the economic impact of an additional metric ton of CO2 emissions, will significantly surpass the company's market value.

The growing occurrence and cost of large climate-related disasters will put significant pressure on financial markets. In 2024, the National Centers for Environmental Information (NCEI) catalogued 27 individual climate and weather disasters costing over $1 billion each.[3] The total cost of these 27 events is estimated to be $187.2 billion, making 2024 the fourth costliest year on record. Accounting for the LA wildfires, Bloomberg estimated as of April 2025, US climate disaster costs hit a record $1 trillion over the past twelve months.[4]

Climate-related risks will have a seismic effect on economic growth and need to be taken seriously when calculating the economic effects of regulatory changes.

Investors Need Standardized, Comparable Data

The proposed rescission represents a significant step backward for market transparency by denying investors access to standardized, comparable data. Without a clear federal standard, the market is left to navigate a chaotic, fragmented patchwork of voluntary corporate ESG and sustainability reports that are often inconsistent, highly selective, and prone to "greenwashing".

Consequently, without reliable and comparable disclosures, investors will be forced to shoulder significantly higher analytical costs as we must spend valuable time and resources hiring third-party data providers to scrape, clean, and normalize highly variable climate risk data.

Narrow Definition of Materiality Ignores Modern Risks

The justification for this rescission relies on an overly restrictive interpretation of materiality that ignores modern risk factors. While the SEC's rescission release attempts to anchor materiality strictly to short-term financial statement line items, systemic climate risks, such as supply chain

[2] Lubos Pastor, Robert F Stambaugh, and Lucian A. Taylor. "Working Paper: Carbon Burden," University of Chicago Becker Friedman Institute for Economics, 2024, https://bfi.uchicago.edu/wp-content/uploads/2024/10/BFI_WP_2024-138.pdf.

[3] National Centers for Environmental Information, "U.S. Billion-Dollar Weather and Climate Disasters," National Oceanic and Atmospheric Administration (NOAA), 2025. https://www.ncei.noaa.gov/access/billions/. *This product is no longer being updated for subsequent editions.

[4] Andrew John Stevenson, "Disaster spending hits new highs," Bloomberg, May 9, 2025, https://www.bloomberg.com/professional/insights/sustainable-finance/disaster-spending-hits-new-highs/.

disruptions from extreme weather, transition risks, and regulatory compliance costs, deeply impact long-term corporate valuation.

By moving away from qualitative risk factors, the Commission discards decades of judicial precedent, including the landmark *TSC Industries* "total mix" standard, which explicitly recognizes that qualitative factors are vital to the information a reasonable investor relies upon to make informed decisions.

Opponents of climate change reporting often misstate both investor and corporate fiduciary duties. They typically refer to only some of the applicable investor and corporate legal duties, focusing exclusively on short-term issues. Both investor fiduciaries and corporate directors have long-term legal obligations that make climate change highly financially relevant. This myopic fixation on only short-term risks and opportunities will likely undermine American companies' long-term competitive position and, therefore, impact domestic investor returns.

A Pathway to Stripping Investor Protections

We are also deeply concerned that narrowing the scope of the Commission's authority to justify this rescission establishes a dangerous precedent that threatens other vital disclosure areas. By arguing that SEC mandates must strictly adhere to Schedule A[5] of the 1933 Securities Act, the Commission has created a litigation pathway to strike down other essential modern disclosure rules. This could ultimately leave investors blind to critical operational vulnerabilities by stripping away mandated, standardized updates on cybersecurity breaches and workforce stability, while simultaneously limiting the SEC's future regulatory agility to require disclosures on emerging, financially material issues.

Weakening Corporate Governance and Risk Oversight

The proposed rescission weakens internal corporate governance and risk oversight. The rules slated for rescission would have required companies to explicitly disclose board oversight of climate-related risks. Rescinding this requirement removes a powerful, standardized mechanism that forces corporate boards to actively manage, mitigate, and answer for long-term, high-consequence physical and transition risks.

Disadvantaging U.S. Capital Markets Globally

Far from simplifying compliance, rescinding the federal rule actively disadvantages U.S. capital markets on the global stage. While the SEC retreats, major global regulatory bodies and jurisdictions, such as the European Union under the Corporate Sustainability Reporting Directive

[5] 15 U.S. Code § 77aa - Schedule of information required in registration statement
https://www.law.cornell.edu/uscode/text/15/77aa

(CSRD) and individual states like California under SB 253 and SB 261, are moving forward with mandatory climate disclosures. Rescinding the federal rule does not exempt large U.S. multinationals from these global requirements; instead, it deprives U.S. investors of a centralized, SEC-governed reporting framework, forcing U.S. companies to navigate and comply with varying, complex international rules instead of a single, rationalized domestic standard.

For these reasons, we urge the Commission to reject the proposed rescission. Standardized, mandatory climate disclosures are not a departure from the SEC's mission; they are an essential tool for modern investor protection and capital allocation.

Thank you for your consideration of our views on this matter.

Sincerely,

Bryan McGannon
Managing Director