July 15, 2026

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-1090

Submitted Electronically: rule-comments@sec.gov

Re: The Enhancement and Standardization of Climate-Related Disclosures for Investors; Proposed Rescission Release ("Rescission Release"); File Number S7-2026-19

Dear Ms. Countryman:

The Society for Corporate Governance ("Society") appreciates the opportunity to comment on the Securities and Exchange Commission's ("SEC" or "Commission") proposal to rescind its climate-related disclosure rules ("Rules").[1]

The Society is a professional membership association of corporate secretaries, chief governance officers, general counsel, securities counsel, and other governance professionals serving public companies of all sizes and industries. Our members advise boards of directors and management teams on disclosure, governance, and compliance matters and therefore have substantial experience with the practical operation of the federal securities disclosure regime.

The Society submitted four substantive comment letters in connection with the Rules: (i) a June 2021 comment letter responding to the Commission's request for public input regarding climate change disclosures ("June 2021 Letter"), (ii) a June 2022 comment letter on the proposed Rules ("June 2022 Letter"), and (iii) September and November 2022 supplemental comment letters ("September 2022 Letter" and "November 2022 Letter," respectively).[2] The Society respectfully incorporates those prior comments by reference.

Consistent with those prior submissions, the Society supports rescission of the Rules in their entirety as proposed, and believes that the Commission should continue to rely on a registrant-specific, materiality-based disclosure framework that elicits information material to investors based on the particular facts and circumstances of each registrant, which may be supplemented, as appropriate, by updated interpretive guidance from the Commission regarding the application of existing federal securities law disclosure requirements to climate-related matters.

[1] See *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, Release No. 33-11275 (Mar. 6, 2024) [89 FR 21668 (Mar. 28, 2024)] ("Adopting Release"). The Final Rules were never codified in the Code of Federal Regulations.

[2] The June 2021 Letter is available here: https://www.sec.gov/comments/climate-disclosure/cll12-8911794-244403.pdf. The June 2022 Letter is available here: https://www.sec.gov/comments/s7-10-22/s71022-20132044-302525.pdf. The September 2022 Letter is available here: https://www.sec.gov/comments/s7-10-22/s71022-20138856-308561.pdf. The November 2022 Letter is available here: https://www.sec.gov/comments/s7-10-22/s71022-20148910-315865.pdf. The Society also submitted a letter requesting an extension of time to comment on the Commission's rulemaking proposal.

I. The Existing Disclosure Framework Continues to Function Effectively

The federal securities laws already require disclosure of material information concerning a registrant's business, financial condition, results of operations, and risks. As the Society previously noted, climate-related matters may be material for some registrants, industries, and sectors and not for others.[3]

The Society believes recent disclosure data discussed in the Rescission Release and reported in other studies support its longstanding view that the existing principles-based federal securities law disclosure framework, as informed by the Commission's 2010 Guidance Regarding Disclosure Related to Climate Change ("Guidance"), has proven capable of eliciting substantial climate-related disclosure when, and to the extent, companies determine such information is material to their investors.[4]

In addition to the data in the Rescission Release, the Center for Audit Quality's ("CAQ") review of S&P 500 Form 10-K filings found that 494 S&P 500 companies included climate-related information in their most recent annual reports as of June 30, 2025.[5] Importantly, those disclosures appeared under the traditional disclosure framework established by the federal securities laws. The CAQ identified climate-related information in Risk Factors for 490 companies, in Business disclosures for 376 companies, in MD&A for 192 companies, and in Financial Statements for 183 companies. The CAQ found that climate-related mentions in financial statement disclosures increased by approximately 18% from fiscal 2023 to fiscal 2024.

Other recent studies similarly indicate that climate-related disclosure is already widespread. As noted in the SEC's Rescission Release,[6] The Conference Board reported that 84% of S&P 500 companies disclosed climate change as a risk factor in 2024 and that 93% disclosed Scope 1 emissions and 92% disclosed Scope 2 emissions.

Consistent with these findings, a Society review of recent Form 10-K filings identified climate-related references in the filings of approximately 470 S&P 500 companies, more than 1,000 Russell 2000 companies, and approximately 1,800 Russell 3000 companies.[7]

Taken together, these findings are consistent with the Guidance, which explains how existing requirements may require climate-related disclosure in relevant sections of Commission filings. They also demonstrate that climate-related information is already being reported through the traditional disclosure framework established by the federal securities laws, supporting the Society's longstanding position that the federal securities laws effectively produce climate-related information when such information is material to investors and that additional prescriptive climate disclosure mandates are unnecessary.

[3] June 2021 Letter at 4; June 2022 Letter at 9–10.

[4] The Commission's Adopting Release also recognized that climate-related disclosure in SEC filings had increased significantly over time and cited research indicating that approximately 60% of Russell 3000 companies disclosed climate-related information in their annual reports by 2020. The Commission also reported that climate-related terminology appeared in a substantial number of annual reports across filer categories and industries. See Adopting Release at 621, 611-618.

[5] CAQ, Analysis of Climate-Related Information in S&P 500 Companies' 10-Ks (October 2025), https://www.thecaq.org/sp-500-10k-climate.

[6] Rescission Release at 80, n.262.

[7] Based on searches conducted June 8, 2026, on the Intelligize platform using the following search terms: "climate change OR climate-related OR greenhouse gas OR GHG OR carbon emissions" for disclosure in the following sections of Form 10-Ks filed in the past 12 months: Item 1 Business; Item 1A Risk Factors; Item 7 MD&A; Item 8 Financial Statements; and Legal Proceedings.

II. The Rules Were Inconsistent with the Commission's Registrant-Specific, Materiality-Based Disclosure Framework

The Society has consistently supported grounding disclosure requirements in traditional materiality principles—that is, requirements that are designed to elicit information important to reasonable investors in the context of each registrant's specific business.[8]

As the Society previously noted, existing disclosure requirements and the federal securities laws' anti-fraud provisions already require registrants to disclose material climate-related information to investors.[9] The Rules, however, departed from this framework by requiring extensive, prescriptive climate-related disclosures that were not always tethered to traditional materiality principles, mandating reporting of numerous climate-related metrics, governance structures, and processes irrespective of whether the information would be material to investors in a particular company.[10]

The Society likewise noted that climate-related risks and opportunities differ substantially among industries and registrants and that a one-size-fits-all disclosure framework cannot be reconciled with the Commission's well-established principles-based disclosure regime.[11]

The Society therefore agrees with the Commission's conclusion that the Rules are inconsistent with the Commission's longstanding registrant-specific, materiality-based approach to disclosure.[12]

III. Subsequent Developments Reinforce Concerns Regarding the Costs and Benefits of Prescriptive Climate-Related Disclosure Mandates

The Society's prior comment letters discussed the significant costs and implementation challenges associated with the Rules.[13] Developments since the Commission proposed the Rules reinforce those concerns.

In particular, since the Commission adopted the Rules in 2024, several states have adopted or proposed climate-related reporting regimes mandating disclosures that extend beyond those required under the Rules in both scope and applicability. One example is California. As noted in the Adopting Release[14] and the Rescission Release,[15] the state has enacted climate-related disclosure legislation applicable to certain public <u>and</u> private companies doing business in California that exceed specified annual revenue

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[8] June 2021 Letter at 3-4**;** June 2022 Letter at 9-10; September 2022 Letter at 2-4.

[9] June 2021 Letter at 2; June 2022 Letter at 16, 50.

[10] June 2022 Letter at, e.g., 13-14, 16-21, 50, 55-56.

[11] June 2021 Letter at 6-7; June 2022 Letter at, e.g., 9**,** 59-60.

[12] The Society views the Commission's longstanding registrant-specific, materiality-based disclosure framework as distinct from broader public policy debates that may inform agency rulemaking. While the Society acknowledges the broader policy concerns the Commission discusses in the Release, it takes no position on them in this letter.

[13] June 2022 Letter at, e.g., 23-40, 76-82**;** September 2022 Letter at 2-5; November 2022 Letter at 3.

[14] Adopting Release at 52-53.

[15] Rescission Release at 75.

thresholds, requiring them to report a broader data set than under the Rules.[16] Similar legislation has been introduced in other states, including New York, New Jersey, and Illinois.[17]

The Society takes no position in this letter regarding those state initiatives. However, the Society believes these developments are relevant to the Commission's evaluation of the costs and benefits of the Rules.[18]

When the Commission proposed the Rules, some commenters suggested that a federal framework could provide greater uniformity and reduce fragmentation. Subsequent state legislative developments indicate that, absent preemption of state law, federal climate disclosure rules—either then or now—will not lead to a single disclosure framework applicable throughout the United States,[19] particularly where state disclosure regimes apply to broader categories of entities and mandate certain disclosures irrespective of the registrant-specific materiality determinations that traditionally govern federal securities law disclosure.[20]

Accordingly, an evaluation of the costs associated with prescriptive federal climate disclosure mandates should take into account the increasingly fragmented disclosure environment in which registrants operate; it should not be assumed that the Rules would displace or substantially reduce the prospect of overlapping state climate-related disclosure regimes and the associated compliance costs. This consideration further supports the Commission's proposal to rescind the Rules in their entirety as proposed, and return to a traditional registrant-specific, materiality-based disclosure framework.

IV. The Commission Should Update and Enhance Its 2010 Climate Change Guidance

The Society continues to believe, as it stated in its June 2022 comment letter, that updating and enhancing the Guidance would be preferable to maintaining climate-specific disclosure mandates such as the Rules.[21]

The Guidance appropriately recognizes that climate-related matters may give rise to disclosure obligations under existing requirements relating to the areas of Business, Legal Proceedings, Risk Factors, and Management's Discussion and Analysis. The Guidance is appropriately grounded in traditional materiality principles and directs registrants to evaluate climate-related matters based on their particular facts and circumstances.

At the same time, the climate-related regulatory, reporting, and business landscape has evolved significantly since 2010. The Commission should consider whether updated interpretive guidance would

[16] California SB 253 and SB 261, codified as Health & Safety Code § 38532 (Climate Corporate Data Accountability Act) and § 38533, govern greenhouse gas emissions disclosure and climate-related financial risk reporting, respectively.

[17] See, e.g., New York S.9072-A and related proposals; Illinois H.B. 3673; and legislative proposals introduced in other jurisdictions.

[18] The Society references these developments solely because they are relevant to the Commission's evaluation of the anticipated costs and benefits of the Rules.

[19] For example, California introduced and enacted SB 253 and SB 261 while the SEC's climate disclosure rulemaking was actively underway and expected to culminate in a federal SEC rule.

[20] The California statutes as introduced were (and remain) deliberately broader than the SEC proposal, covering private companies above specified revenue thresholds and requiring all covered entities to provide Scope 1, 2, and 3 GHG emissions disclosure regardless of materiality. The timing and scope of California's legislation demonstrate that state climate disclosure initiatives can proceed independently of federal securities regulation.

[21] June 2021 Letter at 3; June 2022 Letter at 59; September 2022 Letter at 3.

assist registrants and investors in understanding how existing disclosure requirements apply to climate-related matters in today's environment.

Any revised guidance, however, should remain firmly rooted in the Commission's longstanding registrant-specific, materiality-based approach to disclosure. Updated guidance should assist registrants in applying existing disclosure requirements to climate-related matters, but should not create de facto disclosure mandates, establish presumptions regarding materiality, or otherwise depart from the principles-based framework that has historically governed Commission disclosure requirements.

The Society also continues to believe that existing Regulation S-K requirements, including Items 401 and 407, are capable of eliciting appropriate governance-related disclosure without prescribing particular governance structures or encouraging companies to conform their governance practices to those of other registrants.[22]

Similarly, the Commission could consider whether updated guidance would be useful in encouraging registrants to evaluate material climate-related matters through an industry-specific lens, recognizing that companies are not similarly situated with respect to climate-related risks and opportunities.[23]

Finally, the Society continues to believe that the Division of Corporation Finance's disclosure review and comment process remains an effective mechanism for assessing compliance with existing disclosure requirements and encouraging appropriate disclosure where climate-related matters are material.[24]

The Society appreciates the opportunity to comment on the proposed rescission. For the reasons discussed above and in our prior comment letters, we support rescission of the Rules in their entirety as proposed, and encourage the Commission to continue relying on a registrant-specific, materiality-based disclosure framework, which may be supplemented, as appropriate, by updated interpretive guidance.

[22] June 2022 Letter at 55-58, September 2022 Letter at 3-4.

[23] June 2022 Letter at 59; September 2022 Letter at 3.

[24] June 2021 Letter at 3; June 2022 Letter at 59.

Respectfully submitted,

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