

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

April 2022

Re: File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Ms. Countryman,

In March 2021, Cardano responded to the SEC Commissioner Lee's Consultation on Climate Change Disclosures.

We said:

We believe that the SEC should mandate climate change disclosures consistent with the recommendations of the TCFD, including greenhouse gas emissions metrics across Scope 1, 2 and 3 emissions, and scenarios, including a 1.5 degree scenario, and at least one other scenario. Disclosures should include the actions the company is taking to fully align with the goals of the Paris Agreement.

We will find it increasingly hard to invest in US-domiciled companies, where sustainability-related disclosures, and in particular, climate change disclosures, fall behind that of UK and European standards.

We welcome the opportunity to respond on File No. S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors ("Proposed Rule"). We commend the Commission for its Proposed Rule aimed at providing investors with climate change-related financial information from issuers of public securities.

The Commission's Proposed Rule would represent a step-change in the quality and comparability of climate change-related disclosures

There is overwhelming evidence that ESG issues, including climate change, are financially material, and as such, institutional investors such as Cardano and ACTIAM have a fiduciary duty to incorporate ESG issues in their investment decisions.

Companies that measure and manage ESG issues, including climate change, are better placed to respond to – and to support – the sustainability transition. Equally, companies that do not account for climate change risk asset stranding. Climate change disclosures are therefore a necessary prerequisite for investment decision-making.

While most U.S. companies report sustainability information in some form, the content and type of



disclosures vary significantly. To better interpret and use climate-related information, consistent, reliable and comparable disclosures by companies are a top priority for Cardano and ACTIAM.

In the absence of standardized disclosures, investors seeking climate-related information have had to collect this data from numerous sources, including companies' voluntary disclosures that are unverified and often difficult to compare.

Therefore, we support the SEC's Proposed Rule requiring all public companies to file climate-related financial information with the Commission, to have this information appear alongside financial information, and to present narrative and quantitative information in XBRL tagged form.

This will make climate-related financial information more useful to investors seeking to understand the risks and opportunities presented by climate change. The Proposal's alignment with recommendations by the TCFD (Taskforce on Climate-Related Financial Disclosures) and the Greenhouse Gas Protocol ensures market efficiencies, a key focus for investors.

The TCFD recommendations are widely used across the largest capital markets, with 2,600 supporters globally. Furthermore, regulators have begun mandating TCFD-aligned reporting in the UK, Brazil, the European Union, Hong Kong, Japan, New Zealand, Singapore, and Switzerland.

While Cardano and ACTIAM are European and UK-based investors, we invest globally, including many US-domiciled funds and companies. We see climate change as a global challenge, which is why we have interest in the SEC's approach to climate change disclosure.

Yours faithfully,

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