

June 14, 2021

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20529-1090

RE: Public Input on Climate Change Disclosures

Dear Chair Gensler:

Boston Trust Walden Company is an independent, employee-owned investment management firm with approximately \$12.6 billion in assets under management. As an investment manager and fiduciary, we seek to invest our client assets in diversified portfolios of securities positioned to manage risk and produce sustainable returns.

We believe Boston Trust Walden offers a valuable perspective to the U.S. Securities and Exchange Commission's (SEC) request for public input on climate-related financial disclosure issued by Acting Chair Allison Herren Lee on March 15, 2021. Our firm has been integrating environmental, social, and governance (ESG) factors into investment decisions since 1975—one of the longest track records of any institutional investment manager. ESG considerations, including climate-related risks and opportunities, are integral to our investment philosophy. Stated in the simplest terms, we seek to invest in enterprises with sustainable business models, strong financial underpinnings, prudent management practices, and a governance structure that supports these objectives.

We recognize the changing climate as an extraordinary environmental challenge with far-reaching economic, environmental, and societal implications that create risks and opportunities for companies and investors alike. As fiduciaries, we aim to manage the associated risks and opportunities. We consider several indicators of corporate performance related to climate, but, like many other investors, we navigate a landscape of company disclosures that lack consistency, comparability and, in many instances, sufficient detail to know if and how a company is managing climate risk.

Further, Boston Trust Walden is a member of the Sustainability Accounting Standards Board's (SASB) Investor Advisory Group (IAG) and supports SASB's approach to standard setting for a full range of financially material factors, including those related to climate change. We support SASB's position as outlined in their comment letter to you dated May 19, 2021 and we encourage the SEC to thoroughly consider points made to "ensure markets have access to consistent, comparable, reliable information on financially material risks and opportunities related to climate change and other sustainability factors."¹

We also recognize that company disclosures do not adequately capture systemic, economy-wide risks that appear to be emerging as a result of climate change. These include physical risks to real

¹ <https://www.sasb.org/blog/sasb-supports-sec-action-to-promote-decision-useful-esg-disclosure/>

assets, as well as transition risks encompassing regulatory, technological, economic, and legal risks that could disrupt asset valuations, financial markets, and global economic stability. We support letters submitted by Ceres on June 10, 2021 which underscore how these systemic risks are expected to continue to manifest if not adequately addressed.²

Recognizing the near, medium, and long-term risks posed by climate change, we support global efforts to achieve net zero greenhouse gas emissions by 2050 or sooner, in line with efforts to limit planetary warming to 1.5 degrees Celsius or less. Through the Net Zero Asset Managers Initiative, we stand alongside 87 signatories with \$37 trillion in assets under management who have also made this commitment.³ To achieve this and to fulfill our fiduciary duty, we and other investors need assurance that regulatory and policy measures are being designed and implemented to align with these global goals. Investors have yet to fully understand what blind spots may exist within portfolios around various climate risks—from actual greenhouse gas (GHG) emission rates to the climate-related political spending and lobbying activities of companies—and thus, we urge the SEC to establish mandates that require companies to more fully and consistently demonstrate how they are managing and overseeing the climate risks and opportunities they face.

We appreciate your consideration of our comments.

Sincerely,



William H. Apfel, CFA
Chief Investment Officer



Amy D. Augustine
Director, ESG Investing

² <https://www.ceres.org/news-center/press-releases/investors-companies-organizations-call-us-securities-and-exchange>

³ <https://www.netzeroassetmanagers.org/>