

May 11, 2021

Senator Elizabeth Warren
317 Hart Senate Office Building
Washington, DC 20510

Representative Sean Casten
429 Cannon House Office Building
Washington, DC 20515

Dear Senator Warren and Representative Casten:

The 82 undersigned organizations write to you in support of the Climate Risk Disclosure Act of 2021. The bill is a necessary step to ensure that shareholders have the information they need to adequately mitigate financial, physical and legal climate-related risks to their investments. By ensuring that private capital can appropriately assess climate-related risks, the bill will help accelerate the transition to a low-carbon economy and reduce the risk of financial instability.

Climate change poses significant risks and challenges to businesses, whether or not companies have acknowledged this in their public communications. For example, fossil fuel companies already face worsening flooding at refineries that threaten their infrastructure, increasing potential for stranded assets as society demands a transition away from fossil fuels, and mounting lawsuits by municipalities seeking to recover costs of adapting to climate impacts and responding to climate-related damages. These challenges, and many others, will only intensify in the coming years and decades. Despite these risks, many companies fail to share this critical information with their shareholders – and those that do provide patchwork data that is unstandardized across the industry and therefore difficult for regulators and Main Street investors to parse.

The international financial community is already taking steps to meet global commitments to rapidly transition to a low-carbon economy, striving to limit global warming to [1.5](#) degrees Celsius above pre-industrial levels to avoid the worst effects of climate change. The Climate Risk Disclosure Act tasks the Securities and Exchange Commission with developing the standards that would allow systematic evaluation of climate-related risks. The bill responds to mainstream investor expectations, as reflected by the participation of 545 global investors who are responsible for more than \$52 trillion in assets under management in the [Climate Action 100+](#) initiative calling for enhanced corporate climate disclosure, and in SEC Acting Chair Allison Herren Lee's recent [direction to the agency](#) to update its disclosure guidance in order to meet investor demand.

A [recent report](#) from the U.S. Commodity Futures Trading Commission finds that “climate change poses a major risk to the stability of the U.S. financial system” and recommends that the U.S. “move urgently and decisively to measure, understand, and address these risks,” including ensuring that regulators have the data they need to analyze climate risks. Just as regulators must be able to accurately assess climate-related risk to the financial system, investors must be able to do the same for their assets.

Ensuring that climate risk disclosure is standardized will allow companies and investors—especially those managing state employee pension funds and other long-term portfolios—to plan for a low-carbon future and guarantee that science and data guide the process.

We are grateful for your leadership in addressing the necessity of climate risk disclosure and holding public companies accountable to their shareholders.

Sincerely,

Union of Concerned Scientists
1000 Grandmothers for Future Generations
350 Butte County
350 New Orleans
350 Silicon Valley
350Hawaii
350NYC
350PDX
Alliance for Affordable Energy
Anthropocene Alliance
Appalachian Trail Organization
Business Forward
Businesses for a Livable Climate
CA Businesses for a Livable Climate
Call to Action Colorado
CatholicNetwork US
Center for Biological Diversity
Center for International Environmental Law
Ceres
Change The Chamber
Clean Energy Action - Colorado
Climate Finance Action
Climate Hawks Vote
Climate Law & Policy Project
CO Businesses for a Livable Climate
Colorado Small Business Coalition
Dayenu: A Jewish Call to Climate Action
DNC Environment and Climate Crisis Council
Earth Action, Inc.
Earthjustice
EarthRights International
Earthworks
Empower our Future - Colorado
Evergreen Action
Extinction Rebellion San Francisco Bay Area
Fossil Free California

FreshWater Accountability Project
Friends of the Earth
Future Nexus
Green America
Green Century Capital Management
Green The Church
GreenLatinos
Greenpeace USA
Gulf Coast Center for Law & Policy
Health and Safety Associates
Institute for Agriculture and Trade Policy
Interfaith Power & Light
League of Conservation Voters
League of Women Voters of the United States
Maryknoll Office for Global Concerns
Mercy Investment Services
Movement Rights
National Whistleblower Center
North Range Concerned Citizens
NTS Group
Nuclear Information and Resource Service
Oxfam America
Pacific Environment
Progressive Democrats of America
Public Citizen, Inc
Publish What You Pay--United States
Rachel Carson Council
Rapid Shift Network
Revolution Coalition
Seeding Sovereignty
Sierra Club
Spirit of the Sun
Stand.earth
Texas Campaign for the Environment
The Climate Reality Project: Chicago Chapter
The Evangelical Environmental Network
The Sustainability Group of Loring, Wolcott & Coolidge
The United People Project
The Years Project Inc
Unitarian Universalist Association
Unite North Metro Denver
US SIF: The Forum for Sustainable and Responsible Investment
Voices for Progress
Wall of Women
Women's Earth and Climate Action Network (WECAN)
Youth Emergency Auxiliary Service-Sierra Leone (YEAS-SL)