

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)