

**Comments Offered to the Securities and Exchange Commission Concerning its Call for
Comments on Climate Change Disclosures
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The factors which are likely to materially impact the success or failure of publicly traded companies, investment management firms, and mutual funds are best known to the officers and managers of the firms and funds themselves, not the Securities and Exchange Commission (SEC), other regulatory agencies, politicians or self-appointed stakeholders, including climate activist, not actively involved in the business.

The direction and impacts of climate change 20, 30, 50, and 100 years from now are unknown and, indeed, unknowable. The projections climate-simulating computer models of future conditions cannot be trusted. They have consistently overstated past and present temperatures, the most basic projection they make. The models have also consistently misidentified the kinds of climate conditions and weather events the earth should have already experienced, thus any projections of the future should be taken with a huge grain of salt by companies and their investors.

Political decisions will, of necessity, impact business decisions and success or failure. But, to be fair, companies and fund managers can't know what direction future political elections, will take the country on climate matters. The farther into the future, businesses and funds try to anticipate political decisions, as with economic forecasting, they less likely their projections are to be correct. Policies, regulations, and laws, imposed by one Congress and Presidential administration, may be withdrawn or changed by the next. Businesses and funds should operate within the current law and set of regulations, while, anticipating to the extent possible, what political changes are most likely to impact their business fortunes and how, and how they are positioning themselves to respond to changes. They should report such considerations transparently.

While private companies and businesses may be formed for any number of non-business related reasons unique to their owners' personal desires and proclivities, publicly traded companies are formed to make a profit for their owners, although the managers may also list other reasons for a company's or mutual fund's formation in its statements of incorporation and disclosures. As such the managers of publicly traded companies and funds should endeavor to maximize the returns in their investors. Employee pension fund managers typically have fiduciary responsibilities to do just that, and to not undertake investment decisions based on non-business related considerations with a high likelihood of reducing portfolio returns. The politics of a company's or a fund's managers, should not enter into its business or investment decisions, unless the managers explicitly state in their articles of incorporation and public disclosures that business and investment decisions will be driven by a particular ideological point of view or set of political concerns.

If regulators, politicians, and activists wish a company or fund to consider climate change risks, impacts, and opportunities in their business or investment decisions, they can purchase stocks or bonds issued by the company, as every other investor does. Then, at annual board meetings or

other periodic company events, as co-owners they can express their desire. They can try to convince company or fund managers to consider climate change risks and potential rewards. Failing at that, they can introduce climate related resolutions and offer candidates for the board of directors concerned about climate change, and try to convince a majority of stock owners to support these resolutions, directives, and slate of candidates. Thousands of climate related resolutions, and candidates for board positions focused on climate concerns, have been offered over the past few decades. Most have been soundly rejected by a majority of investors. This, not regulation or legislation, is the appropriate way to have companies and funds take climate concerns seriously.

Absent this, persons and portfolio fund managers concerned about climate or sustainability matters can form their own companies and funds, complete with public stock offerings, to compete directly with the businesses they believe are not taking climate, corporate governance, environment, equity or sustainability concerns seriously enough. Thousands of such green companies and funds have been formed. This lets the public express their concern for the environment directly through their purchases and the investment decisions they make.

The SEC's role in this should be limited to ensuring "truth in advertising," a policing function.

The SEC should not attempt to develop or enforce uniform standards for what it means for a company to take the climate or sustainability issues seriously. Rather, for those companies and funds that profess to be green, climate friendly, sustainable, or committed to reducing their energy use, waste flow or greenhouse gas emissions, as a business strategy and a way to attract investors, the SEC should require transparency. In publicly available documents and disclosures, the companies and funds should be required to state specifically what practices they are undertaking to be green, climate friendly, sustainable, and how and on what timeline their efforts to reduce energy use, waste, and greenhouse gas emissions should be judged.

Beyond ensuring the transparent disclosure climate friendly practices and operations, the SEC should as part of its normal course of business and public mandate, monitor and police businesses claiming to embrace climate friendly policies as they do other businesses. To respond to complaints from investors about the companies failing to carry out their mission as stated and, working with the Department of Justice, to ensure the companies officers, employees, and investors are not involved in or undertaking illegal business practices.

In short, the SEC should have no role in requiring businesses account for climate risks in their business and investment decisions. However, if a publicly traded company or fund does say climate change will materially affect their business and they are taking steps to respond, the SEC maintains its legal mandate to ensure the company's statements on its response are transparent and its practices correspond to its public statements on the matter, and that, in all cases, the law is followed.