THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
MARK D. LEVINE

July 29, 2026

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: SEC's Proposed Rescission of Climate-Related Disclosure Rules (File Number S7-2026-19)

Dear Ms. Countryman:

I appreciate this opportunity to express my strong opposition to the U.S. Securities and Exchange Commission's (SEC) proposed rescission of climate-related disclosure rules (File Number S7-2026-19). While I acknowledge the SEC's stated rationale in its statutory authority, materiality of climate-related information, avoiding dictating corporate behavior, and considering cost benefits of the rules, I believe that issuing the climate-related disclosure rules is fully within the SEC's authority and that rescinding it will impair market efficiency, raise costs for investors, and contradict the SEC's own finding on the materiality of climate risk information.

As Comptroller of the City of New York, I am a trustee, the custodian of, and the investment adviser to, the City's five retirement systems (collectively, the "New York City retirement systems," or "NYCRS").[1] NYCRS had $328.87 billion in assets as of May 2026. Three of the Systems — accounting for a substantial majority (~73%) of these assets — have adopted net zero goals. These assets provide retirement security to generations of public workers, and our fiduciary duty demands full consideration of material climate-related financial risks.

Climate-related risks and opportunities are material for long-term investors

For long-horizon, diversified investors such as NYCRS, climate-related risks are not theoretical or remote—they are present, mounting, and financially material today. In 2025, the United States experienced 23 separate billion-dollar weather and climate disasters, totaling $115 billion in losses.[2] Only about half of the losses were insured,[3] leaving the remainder to be

[1] The five systems are: New York City Employees' Retirement System, the Teachers' Retirement System of the City of New York, the New York City Police Pension Fund, the New York City Fire Pension Fund, and the New York City Board of Education Retirement System.
[2] 2025 in Review: U.S. Billion-Dollar Disasters, https://www.climatecentral.org/climate-matters/2025-in-review
[3] Global natural catastrophe losses in 2025, https://www.swissre.com/institute/research/sigma-research/sigma-2026-01-natcat-2025-wildfire-storm-risk/global-natcat-losses-2025.html

absorbed across the real economy through lower profitability and impaired assets, all of which contribute to rising operational and insurance costs. Global catastrophe losses have likewise accelerated, and insurance pricing pressures already affect corporate earnings and capital availability. For a 25-year-old New York City public school teacher, whose pension we must steward for more than 50 years, the long-term value and resilience of our investments depend directly on adequate disclosure of climate risks.

The Office of the New York City Comptroller has, for years, invested considerable resources to understand these risks, including procuring and collecting information on Scope 1, 2, and 3 greenhouse gas emissions, governance of climate-related risks, transition strategies, interim and long-term decarbonization targets, and capital-allocation alignment. We integrate this information into investment decisions, proxy voting, manager oversight, and engagement with portfolio companies and asset managers.

We also require our managers to collect climate related data. We have issued guidance for our public and private market managers on the three pension boards' net zero expectations. In it, we require managers to engage portfolio companies and incorporate material climate change-related risks and opportunities in investment decision-making including due diligence and portfolio management. To carry out these expectations responsibly, managers need reliable, consistent, decision-useful disclosures of the type provided in the SEC's climate-related disclosure rules.

Our managers rely on climate data in fundamental analysis. For example, one manager uses physical risk mapping to assess flood exposure for manufacturing facilities and water scarcity risks for power plants reliant on cooling water. Another conducts climate scenario analyses to evaluate sector performance under both high emissions and low emissions pathways. Many have dedicated personnel collecting granular climate data to inform portfolio construction.

With inadequate disclosure, these analyses become more costly, less reliable, and less comparable across companies. The absence of relevant climate related information constitutes a material omission that impairs prudent investment decisions. Materiality, in this context, is judged from the standpoint of the prudent investor, not the reporting company.

Failure of companies to disclose relevant climate-related data are material omissions for investment decisions, which will increase data acquisition costs, limit data reliability and comparability, and impede investors from making prudent investment decisions.
Currently available climate-related data is inadequate

The existing voluntary ecosystem leaves significant gaps. The current available data on climate-related risks and opportunities are expensive to obtain, unreliable, and inconsistent. The SEC's own analysis of 10-K and 20-F filings in the proposed rescission showed significant inconsistency and unevenness of any disclosure related to climate by public companies without even examining the quality or substance of the disclosure. Investors cannot rely on current disclosures to understand how boards oversee climate related risks or how management integrates these risks into strategy.

We support the final rules in their totality. At the same time, there are independent reasons that each provision would elicit valuable information for investors.

Governance disclosure – Boards and executives must identify, measure, monitor, and manage material risks. Our fiduciary responsibility requires robust insight into how boards are overseeing these material risks, including climate-related risks. Yet today, governance disclosures are inconsistent and incomplete. For example, in our engagement with utility companies we often need to press hard to understand the factors management considers in managing their transition risks. The SEC's 2024 rules recognized governance as a core pillar aligned with the widely supported Task Force on Climate-related Financial Disclosures framework, because climate risk governance directly affects long term performance.

Impact of climate-related risks on companies' strategy and profitability disclosure – Despite worsening catastrophic losses, companies do not routinely report financial impacts from severe weather events or disclose how climate related risks shape strategy, product mix, or capital allocation plans. This omission is deeply problematic. Climate related impacts—damage to assets, supply chain disruptions, operational downtime, and rising carbon related costs—directly influence earnings, cash flow, and long term shareholder value. The 2024 SEC rules appropriately required companies to describe material impacts on strategy, business model, and outlook. Eliminating this requirement would deprive investors of essential information and roll back progress on comparability and reliability.

Risk management disclosure – We actively seek information on risk management. Current disclosure requirements are insufficient, which is why the New York City Employees' Retirement System, the Teachers' Retirement System of the City of New York, and the New York City Board of Education Retirement System have for several years filed shareholder proposals at the largest U.S. banks urging them to disclose their energy supply ratio.

Some asset managers have been using third-party climate risk analytics to analyze the physical climate risks of their invested companies. However, these analytics heavily rely on estimations and incomplete data. Research has shown that results from climate risk analytics providers diverge widely.[4] This furthers the argument that companies need to disclose, as they possess the most relevant data about exposures, adaptation measures, and resilience investments.

Climate-related targets and goals disclosure – Many companies announce climate commitments, including net zero goals, yet provide limited detail on interim targets, feasibility, or alignment with science-based trajectories. Investors need clear, comparable disclosure of targets, timelines, reliance on carbon credits, and capital allocation alignment. The SEC's 2024 rules noted widespread investor demand for this information and the inadequacy of voluntary

[4] Comparing Climate Risk Vendors: A User's Guide to Physical Risk Assessments, https://www.garp.org/risk-intelligence/sustainability-climate/comparing-climate-risk-251023

disclosure. Rescinding these requirements would remove critical insights into corporate transition readiness and long-term value preservation.

These points are strongly supported by the SEC's own findings in the 2024 final rules, which reflect extensive evidence that voluntary climate reporting is inconsistent, difficult to compare, and frequently boilerplate. Investors, including pension funds, asset managers, insurers, and retail investors, overwhelmingly stated that they need standardized climate related information in SEC filings to assess financial risks, governance effectiveness, and issuers' strategies for responding to climate related impacts. The conditions of inadequate disclosure persist today. The current environment with high geopolitical tension, heightened speed of energy transition, and increasing physical climate risks, is more complex. Investors need more transparency, not less, for prudent decision making.

Rescission would harm investors and undermine market integrity

The 2024 climate disclosure rules were grounded in the SEC's statutory mission to protect investors, maintain fair and efficient markets, and facilitate capital formation. They were modeled on globally recognized frameworks and supported by overwhelming investor feedback.

Rescinding these rules would:

- Increase information asymmetry and impair market efficiency.
- Raise costs for investors forced to rely on expensive, inconsistent third-party data.
- Undermine comparability across companies, sectors, and global jurisdictions.
- Reduce accountability for climate related governance, strategy, and risk management.
- Contradict the SEC's extensive record showing that climate risk information is material to investment and voting decisions.

The rules also include appropriate materiality qualifiers, phase in periods, and safe harbor protections, responding to both investor needs and registrants' concerns.
Eliminating them would push disclosure backward at a moment when the financial consequences of climate change are accelerating and widely recognized.

Conclusion

For long term, diversified investors such as NYCRS, climate related disclosures are indispensable to fulfilling our fiduciary obligations. The SEC's 2024 climate disclosure rules reflect years of public input, robust evidence of materiality, alignment with global standards, and widespread investor support. Rescinding them would weaken market transparency, increase risks to retirement beneficiaries, and run counter to the SEC's mandate.

I urge the SEC to maintain and fully implement its climate related disclosure rules. Doing so is essential to safeguarding investor interests, strengthening market integrity, and ensuring that U.S. capital markets remain fair, orderly, and efficient in the face of rapidly evolving climate related financial risks.

Thank you for considering these comments.

Sincerely,

Mark D. Levine
New York City Comptroller

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