31 July 2026

Submitted electronically to: rule-comments@sec.gov

Re: File No. S7-2026-19 — Rescission of Climate-Related Disclosure Rules

Response of Minerva Analytics Ltd.

Minerva Analytics Ltd. welcomes the opportunity to comment on the Securities and Exchange Commission’s proposal of 29 May 2026 to rescind in full the climate-related disclosure rules adopted in March 2024 (the “Final Rules”).

We note that the Final Rules remain stayed because the Eighth Circuit has not decided the merits of the challenges to them.[1][2] Nevertheless, Minerva supports a disclosure regime anchored in the information a reasonable investor would consider important in making investment or voting decisions. We do not argue that climate-related information should be disclosed because it advances a preferred environmental policy. We argue that, where climate-related risks, governance arrangements, emissions, targets or realised financial effects are material to a registrant, investors should receive that information in a consistent, accessible and decision-useful form. We recognise that issuers hold differing perspectives on climate change, and a materiality-anchored framework accommodates those differences: it compels no substantive view. For registrants for which climate is a key business risk, clear and authoritative disclosure requirements support both the issuer and its investors.

Primary recommendation

The Commission should withdraw the proposal for wholesale rescission and reopen the Final Rules for targeted amendment. It should retain a federal baseline for material climate-related risk, governance, strategy, risk-management, Scope 1 and Scope 2 emissions, and realised financial-effect disclosures, while applying explicit materiality conditions, scaled obligations, phased implementation and appropriate safe harbours.

[1] Proposing Release, pp. 14-15; U.S. Securities and Exchange Commission, Order Issuing Stay, Release No. 33-11280 (Apr. 4, 2024). The Eighth Circuit placed the consolidated petitions in abeyance on September 12, 2025; the Final Rules remain stayed and the court has not decided the merits.

[2] U.S. Securities and Exchange Commission, Rescission of Climate-Related Disclosure Rules, Release Nos. 33-11421 and 34-105572, File No. S7-2026-19 (May 29, 2026) (the “Proposing Release”), pp. 1, 6-7. Comments are due August 3, 2026.

1 About Minerva

Since 1995, Minerva has provided independent stewardship research, voting technology, policy support and sustainability data to professional investors. Minerva curates and analyses complex issuer-level data to support a range of investment activities, including bespoke index development and the implementation of client-designed voting policies. This work gives Minerva direct visibility into the information institutional investors use in investment analysis, engagement and proxy voting. Minerva is part of Solactive AG, an independent index provider.

2 Summary of proposed refinements

- Retain registrant-specific disclosure of climate-related risks that have materially affected, or are reasonably likely to materially affect, business strategy, results of operations or financial condition.
- Apply an express materiality condition to board-oversight disclosure, so that Item 1501 is triggered only where the registrant has identified material climate-related risks.
- Retain material Scope 1 and Scope 2 disclosure for large accelerated filers and non-exempt accelerated filers, together with the existing exemptions for smaller reporting companies and emerging growth companies.
- Retain focused disclosure of realised financial effects but reconsider the one-percent threshold and the "significant contributing factor" attribution test if the Commission concludes that they are impracticable.
- Preserve filing status and Inline XBRL tagging so that disclosed information is subject to established controls and can be aggregated, compared and analysed efficiently.
- Extend transition periods, maintain safe harbours, and permit proportionate equivalence or substitution where a registrant reports under a substantially interoperable regime.

3 Complete rescission is not required to address the Commission's authority concerns

Minerva recognises that the Commission must act within the authority conferred by Congress and that investor interest in a topic does not, by itself, authorise mandatory disclosure. The securities statutes nevertheless give the Commission authority to specify information in registration statements and periodic reports where the statutory standards are met. Those powers are not unlimited, but neither are they confined to the precise subjects enumerated in the Securities Act of 1933 and the Securities Exchange Act of 1934.[3]

[3] See Securities Act of 1933 §§ 7(a)(1), 19(a), 15 U.S.C. §§ 77g(a)(1), 77s(a); Securities Exchange Act of 1934 §§ 13(a), 23(a), 15 U.S.C. §§ 78m(a), 78w(a). See also U.S. Securities and Exchange Commission, Commission Guidance Regarding Disclosure Related to Climate Change, Release Nos. 33-9106 and 34-61469 (Feb. 2, 2010).

The proposal's authority analysis treats the climate-specific character and detail of the Final Rules as central evidence that the Commission crossed from securities regulation into climate policy. That concern warrants careful consideration, particularly where a provision is not tied to materiality. It does not follow, however, that every component of the Final Rules must be rescinded. The relevant distinction is between requiring information about financially relevant business risks and using disclosure rules to compel a preferred substantive outcome.

Most of the Final Rules regulate disclosure rather than conduct. They do not require a registrant to adopt a transition plan, set an emissions target, reduce emissions, use scenario analysis or impose a particular governance structure. They require disclosure where material risks exist or where the registrant has chosen to use specified tools or set targets that materially affect the business. The Commission can address the provisions that create the greatest authority or overbreadth concerns without eliminating the entire framework.

The clearest example is board oversight. Item 1501(a) would require disclosure of board oversight of climate-related risks regardless of whether those risks were material. Minerva supports amending that provision so that governance disclosure is required only where the registrant has identified a material climate-related risk. This would align the governance requirement with the reasonable-investor standard and with the materiality conditions already applied to strategy, risk management, targets and Scope 1 and Scope 2 emissions.

Article 14 of Regulation S-X presents a different case. It concerns recognised costs, expenditures, charges, losses, estimates and assumptions in audited financial statements. These are financial consequences, not prescriptions about corporate environmental conduct. If the Commission regards the one-percent threshold or attribution test as impracticable, it can replace them with a more conventional materiality-based trigger or a higher de minimis threshold. That is a reason for targeted revision, not for eliminating all disclosure of realised financial effects.

4 Standardisation complements rather than displaces materiality

Minerva agrees that materiality must be judged by reference to the reasonable investor, not by the preferences of each individual investor or investment strategy. Under Basic Inc. v. Levinson and TSC Industries, Inc. v. Northway, Inc.[4], information is material where there is a substantial likelihood that a reasonable investor would consider it important, or that it would significantly alter the total mix of information available. Materiality is therefore objective, but its application is registrant-specific and fact-dependent.

Wholesale rescission would invert this framework. Materiality is a registrant-specific, fact-dependent determination made by reference to the reasonable investor; it is not a category-level judgment for the

[4]Basic Inc. v. Levinson, 485 U.S. 224, 231-32, 240 (1988); TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976).

Commission to make in the abstract. By removing every climate-related line item, the proposal would substitute a market-wide regulatory predetermination that climate-related information is presumptively immaterial for the assessment that the governing standard assigns to each registrant's own facts and circumstances. The Commission may properly calibrate where and how material information is presented. It should not, through rescission, effectively decide in advance what a reasonable investor may not consider important.

A standardised line item need not predetermine the outcome of that assessment. Where a requirement is properly materiality-qualified, it tells registrants where and how to disclose information after they have determined that it meets the governing threshold. The benefit is not to make immaterial information material. It is to reduce avoidable variation in terminology, location, units and reporting period when materially relevant information is disclosed.

The Final Rules already reflect this distinction in several important respects. They require disclosure of climate-related risks only where those risks have materially affected, or are reasonably likely to materially affect, the registrant. Scope 1 and Scope 2 emissions are required only for specified larger filers and only where material. Disclosure about targets, transition plans, scenario analysis and internal carbon pricing is linked to the registrant's own use of those tools and to material effects. The Commission should retain these materiality-based elements and amend any residual provisions that are not adequately qualified.[5]

Portfolio-level use does not alter the legal trigger. The registrant must assess materiality at company level. Once material information is disclosed, however, standardisation enables diversified investors to identify correlated exposures across issuers, sectors and geographies. A pension fund may need to understand how flooding, wildfire, insurance availability, regulation or technology substitution affects a portfolio as a whole. That portfolio use is an additional economic benefit of comparable issuer-level information; it is not a substitute for issuer-specific materiality.

5 Existing disclosure obligations and anti-fraud rules are not an equivalent substitute

Regulation S-K, Regulation S-X, the 2010 Climate Change Guidance and the federal anti-fraud provisions already capture some material climate-related matters. They remain essential. They do not, however, perform the same function as a standardised disclosure framework.

Principles-based obligations permit substantial variation in whether climate-related information is separately identified, the terminology used, the degree of quantification and the location of the disclosure. Anti-fraud provisions prohibit materially misleading statements and omissions, but do not themselves create affirmative line-item disclosure requirements. A registrant may therefore comply with general obligations while investors still face difficulty locating and comparing the relevant information.

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[5]U.S. Securities and Exchange Commission, The Enhancement and Standardisation of Climate-Related Disclosures for Investors, Release Nos. 33-11275 and 34-99678 (Mar. 6, 2024), 89 Fed. Reg. 21668 (Mar. 28, 2024) (the "Adopting Release"); Proposing Release, pp. 10-13.

The Proposing Release itself acknowledges the difference. It states that the Final Rules would centralise climate-related information in Commission filings, subject it to potential securities-law liability, and require Inline XBRL tagging to support aggregation, comparison, filtering and other analytical methods. It further acknowledges that rescission could increase information-search and reconciliation costs and raise the costs of third-party data providers and analytics firms. These admissions confirm that the existing framework is not functionally equivalent.[6]

Centralisation is particularly important for passive, index-based and quantitative investment processes. Methodological differences between registrants can be identified and managed where information follows a common architecture. Information dispersed across sustainability reports, websites, regulatory filings and third-party estimates is materially harder to use at scale. Imperfect comparability remains preferable to the absence of a common reporting structure.

6 Current market practice supports a calibrated federal baseline

The Commission's own baseline analysis demonstrates both the prevalence and unevenness of current climate disclosure. In 2025, 81 percent of filings by large accelerated filers contained at least one climate-related keyword, compared with 65 percent for accelerated filers and 33 percent for non-accelerated filers. Across all 10-K and 20-F filings, the proportion was 48 percent. Voluntary and principles-based disclosure is therefore extensive among larger issuers, but it is not comprehensive or evenly distributed across the registrant population.[7]

Two conclusions follow for the design of a federal disclosure requirement. First, many large registrants already have reporting systems and governance processes, so the incremental cost of a federal baseline may be lower for them than a model assuming entirely new systems. Second, disclosure gaps are greatest among smaller and non-accelerated filers, where proportionality concerns are strongest. The appropriate response is differentiation by filer status, not a conclusion that either one uniform rule or no rule at all is the only available option.

6.1 Issuer reporting practices – Minerva's analysis

Minerva provides professional analysis of complex sustainability data to institutional investors. In that capacity, Minerva analysed the disclosures of 430 US-listed issuers in its stewardship coverage universe during the reporting cycle from August 2025 to 27 July 2026. That analysis found that:

- 357 companies (83 percent) identified climate change as a principal or material business risk;
- 311 companies (72 percent) referred to TCFD or IFRS S2 in public reporting;

[6]Proposing Release, pp. 105-107. The Commission states that filing and Inline XBRL would support centralization, reliability, aggregation, comparison and filtering, and that rescission could increase search, reconciliation and third-party data-collection costs.
[7]Proposing Release, Tables 1-3, pp. 77-80. The Commission cautions that its keyword analysis measures incidence rather than the depth or quality of disclosure.

- 302 companies (70 percent) disclosed Scope 1, Scope 2 and Scope 3 emissions for more than one financial year;
- 324 companies (75 percent) disclosed at least some greenhouse-gas information using the Greenhouse Gas Protocol; and
- 270 companies (63 percent) had at least some sustainability information verified by a third party, including 256 with externally verified greenhouse-gas data.

Methodology note: the coverage universe is designed for institutional stewardship research and is not a randomly drawn sample of all SEC registrants. It is nevertheless a strong sample: at 430 issuers, it meets or exceeds the sample sizes required to estimate disclosure practice across populations the size of the S&P 500 or the Russell 3000 at a 95 percent confidence level with a five percent margin of error. The results therefore provide strong evidence of established reporting practice among US-listed issuers. A substantial group already maintains the relevant data, processes and external frameworks. For those issuers, compliance would often be an enhancement of existing practice rather than the construction of a reporting system from first principles.[8]

7 Realised climate-related financial effects are within the core purpose of disclosure

Physical climate and severe-weather events can affect facilities, supply chains, insurance costs, business interruption, asset values, repair expenditure and capital allocation. NOAA's National Center for Environmental Information recorded 27 US weather and climate disasters with losses exceeding $1 billion in 2024. It recorded 403 such events between 1980 and 2024, with total CPI-adjusted losses of approximately $2.918 trillion. These figures do not establish that every event is material to every registrant. They do establish that severe weather produces financial effects capable of being material in particular cases.[9]

The financial effects are also observable in valuation. Severe weather events and physical climate exposure can produce measurable share price reactions for affected registrants, through damage to assets, business interruption, insurance repricing and revised expectations of future cash flows. Information capable of moving the price of a security is the paradigm of what a reasonable investor considers important in the total mix. Realised climate-related financial effects therefore sit within the core purpose of disclosure regulation, not at its periphery.

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[8] Minerva Analytics internal issuer-analysis dataset, reporting cycle August 2025 to 27 July 2026. The 430-company universe comprises US-listed issuers covered for Minerva's institutional stewardship research. The observations are descriptive of that coverage universe and are not presented as a statistically representative estimate of all SEC registrants.
[9] National Oceanic and Atmospheric Administration, National Centers for Environmental Information, U.S. Billion-Dollar Weather and Climate Disasters, United States Summary, 1980-2024 (reporting 27 events and $182.7 billion of CPI-adjusted losses in 2024, and 403 events and $2.9181 trillion of losses over 1980-2024).

Article 14 was designed to provide information about recognised financial consequences, including capitalised costs, expenses, charges and losses arising from severe weather events and other natural conditions. Such information is not inherently “climate policy.” It concerns the financial condition and operating performance of the registrant. The Commission should therefore distinguish between the legitimacy of the disclosure objective and the practicability of the original attribution and threshold mechanics.

Minerva recommends retaining a focused financial-effects requirement while consulting on a more workable design. Options include using ordinary financial-statement materiality, increasing the de minimis threshold, limiting disclosure to separately tracked categories, or requiring qualitative disclosure where quantitative attribution is not reasonably practicable. These approaches would preserve decision-useful information while responding directly to implementation concerns.

8 Investor demand is relevant evidence, but the rule must remain financially anchored

The Commission is correct that investors are not monolithic and that demand from a subset of investors cannot alone determine the content of mandatory disclosure. The 2022 comment record nevertheless provides evidence that climate-related information is used by significant institutional investors for investment and voting decisions. Ceres reported that its review of 320 institutional investor letters, representing more than $50 trillion in assets under management, found consistent support for disclosure aligned with the TCFD architecture. ICCR, a coalition of more than 300 institutional investors representing more than $4 trillion, reiterated its opposition to rescission in June 2026. These sources are advocacy organisations and should be understood as such, but their evidence should not be collapsed into a generic description of “starkly divergent” public sentiment.[10]

Minerva’s own client evidence also shows practical use. In a 2026 survey of institutional clients, climate change appeared among the three leading environmental priorities for 75 percent of respondents (88 percent of asset owners and 67 percent of asset managers). In Minerva’s review of active client voting-policy templates, 92 percent contained at least one climate-related guideline applicable to management resolutions, and all contained considerations for climate-related shareholder proposals. Climate disclosure therefore informs director elections, transition-plan votes, remuneration, annual-report approvals and auditor-related decisions, not only dedicated environmental resolutions.[11]

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[10]Ceres, Analysis Shows that Investors Strongly Support the SEC’s Proposed Climate Disclosure Rule (Oct. 11, 2022) (reporting an analysis of 320 institutional investor letters representing more than $50 trillion); Interfaith Center on Corporate Responsibility, Statement in Response to the SEC’s Proposed Rescindment of its Landmark Climate Disclosure Rule (June 2, 2026). ICCR describes itself as a coalition of more than 300 institutional investors representing more than $4 trillion in managed assets.
[11]Minerva Analytics, internal institutional-client survey and review of active client voting-policy templates (2026). The survey and template results are evidence of use among Minerva clients and are not offered as estimates for the institutional investment market as a whole.

This evidence supports a narrow proposition: financially material climate information is used in investment and stewardship decisions, and demand will not disappear upon rescission. Investors will instead rely more heavily on direct engagement, third-party estimates and proprietary models. The Commission should account for the cost and reliability consequences of that substitution.

That substitution also has consequences for issuers. Registrants frequently object that third-party data providers and ratings intermediaries mischaracterise them, relying on estimated or modelled figures where reported data is unavailable. Standardised, filed disclosure is the most direct remedy available: it allows the registrant to state its own position in a controlled document, subject to its own disclosure controls and procedures, and it gives data intermediaries an authoritative common source against which estimates can be corrected. Rescission would not relieve issuers of intermediary scrutiny; it would enlarge the role of estimation and make errors harder to displace. A registrant that considers itself misrepresented by an estimate has no better corrective than its own filed, structured disclosure.

9 The economic analysis monetises issuer savings but not acknowledged market costs

The Proposing Release estimates that rescission could generate annualised registrant savings of approximately $4.9 billion and presents ten-year monetised benefits of approximately $35.4 billion to $42.3 billion, depending on the discount rate. Its corresponding tables record the costs of rescission as "Not Monetized." At the same time, the release acknowledges reduced centralisation, increased investor search and reconciliation costs, and higher data-collection costs for intermediaries.[12]

This is not merely a presentation issue. If the principal measurable benefits are avoided issuer costs while recognised investor and information-market costs remain unquantified, the analysis cannot demonstrate that the net benefits of complete rescission are positive. The Commission should provide sensitivity analysis covering:

- investor and intermediary search, data-acquisition and reconciliation costs;
- the extent to which registrants already incur similar costs through voluntary, state or international reporting;
- the difference between sunk or fixed reporting-system costs and genuinely avoidable future costs;
- costs and benefits by filer status, rather than only aggregate averages; and
- the value of filed, controlled and machine-readable information relative to unstructured voluntary disclosure.

[12]Proposing Release, pp. 41-42, 105-107 and Tables 13-14 at pp. 118-119. The Commission estimates annualized monetised benefits of approximately $4.87-$4.88 billion, while the corresponding costs are recorded as "Not Monetised." See also p. 93 n.296 (recognizing that incremental costs may be lower where current disclosures resemble the Final Rules).

The Proposing Release itself recognises that registrants whose existing disclosure resembles the Final Rules may have lower incremental compliance costs. Minerva's evidence suggests this qualification is material for many larger issuers. Conversely, smaller issuers may face proportionately greater burden. A cost-benefit analysis sensitive to that heterogeneity would support scaled requirements, longer transitions and exemptions rather than uniform rescission.

There is a further structural cost that the analysis does not confront. A filed, structured disclosure is a public good: once filed, it is available to every investor, analyst and data provider at no incremental cost. In its absence, equivalent information is reassembled in private data stores and sold by subscription, so the market purchases the same underlying information many times over. Issuers face the mirror image in duplicative questionnaires and bilateral data requests seeking what a single filing would have supplied. Standardised filings obviate both expenditures. An economic analysis that monetises the issuer's avoided preparation cost, while leaving this multiplied private spending unquantified, systematically understates the cost of rescission.

10 International developments support interoperability and proportionality, not US isolation

International regimes have evolved since 2024, but they have not abandoned investor-focused climate disclosure. IFRS S2 continues to organize climate-related financial disclosure around governance, strategy, risk management, and metrics and targets. Australia's mandatory climate-related financial reporting requirements began in 2025. In February 2026, the UK issued UK SRS S1 and S2 for voluntary use, based on the ISSB standards. The European Union has narrowed scope, delayed implementation for some companies and revised its reporting standards to reduce burden, while retaining sustainability reporting for companies that remain in scope.[13]

The appropriate lesson is not that every jurisdiction should adopt identical requirements. It is that proportionality, phased implementation and interoperability can address burden without abandoning a common baseline. For multinational issuers, a US framework that permits use of compatible definitions, measurement standards and assurance work could reduce duplication. Complete rescission may instead leave those issuers navigating international, state and voluntary regimes without a federal point of convergence.

US-listed issuers are, to a substantial degree, global business concerns. Many already prepare climate-related information to satisfy cross-border compliance obligations and to meet the requirements of lenders, insurers, customers and supply-chain counterparties. Where that information already resides within the business and is provided to some stakeholders but is not reflected in Commission filings, US

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[13] IFRS Foundation, IFRS S2 Climate-related Disclosures (June 2023, as amended); Australian Treasury, Climate-related Financial Reporting and Guidance (reporting commenced Jan. 1, 2025); UK Department for Business and Trade, UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2 (Feb. 25, 2026); European Commission, Commission Adopts Revised Sustainability Reporting Standards (July 3, 2026).

investors become the least-served audience for information the issuer has in hand. That outcome is difficult to reconcile with the principle of full and fair disclosure on which the federal securities regime is premised. Preparing the information in a structured form also benefits the registrant itself: boards that receive consistent climate-related risk information are better placed to exercise informed oversight of strategy, capital allocation and risk management.

There is also a competitive dimension. As ISSB-aligned reporting becomes the operating norm in other major capital markets, US registrants without a credible federal baseline risk being perceived by global allocators as reporting to a weaker standard. That perception has practical consequences: less favourable treatment in capital-allocation and index decisions, greater investor reliance on third-party estimates that registrants cannot control or correct, and heavier bilateral engagement burdens as investors seek directly the information a filing would otherwise provide. A calibrated federal baseline protects the standing of US issuers in global capital allocation; it does not merely burden them.

11 Recommended disposition of the Final Rules

Minerva recommends that the Commission replace the proposal for complete rescission with a targeted reopening of the Final Rules on the following basis:

1. **Material climate risks:** Retain disclosure of climate-related risks that have materially affected, or are reasonably likely to materially affect, strategy, results of operations or financial condition.
2. **Governance:** Amend Item 1501 so that board- and management-oversight disclosure is required only where the registrant has identified material climate-related risks. Do not prescribe the governance arrangement itself.
3. **Strategy and risk management:** Retain disclosure of material impacts and the processes used to identify, assess and manage material risks, including integration into enterprise risk management.
4. **Targets and management tools:** Require disclosure only where the registrant has adopted a target, transition plan, scenario analysis or internal carbon price and its use or effect is material.
5. **Greenhouse gas emissions:** Retain material Scope 1 and Scope 2 disclosure for large accelerated filers and non-exempt accelerated filers; preserve SRC and EGC exemptions; extend implementation and assurance periods where necessary; and permit recognised calculation standards.
6. **Financial effects:** Retain a focused requirement for realised financial effects, but replace any attribution or threshold provisions shown to be impracticable with a conventional materiality test, a higher de minimis threshold or a practicability accommodation.
7. **Filing and structured data:** Retain filing status and Inline XBRL tagging for required disclosures, with phased implementation.
8. **Interoperability:** Permit reasonable substitution or equivalence where a foreign private issuer or multinational registrant provides substantially comparable information under an ISSB-aligned or other recognised regime.
9. **Economic analysis:** Reassess costs and benefits across the market as a whole, including investor and intermediary costs, and publish filer-category sensitivity analysis before adopting a final action.

12 Conclusion

The Commission has presented the market with a binary choice of the Final Rules exactly as adopted or a complete absence of reporting guidance. The better course is to retain the investor-protection benefits of material, filed and comparable disclosure while correcting provisions that are insufficiently materiality-based, disproportionately burdensome or difficult to implement.

Wholesale rescission would remove the benefits of centralisation and structured data that the Commission itself recognises, while transferring information-acquisition costs to investors and intermediaries. Targeted amendment would respond more directly to the Commission's legal and economic concerns and would preserve a proportionate federal baseline for financially relevant climate-related information.

The recommendation in this letter is ultimately a mission question. The Commission exists to protect investors, to maintain fair, orderly and efficient markets, and to facilitate capital formation. Institutional investors representing tens of trillions of dollars in assets under management have told the Commission, in the 2022 comment record and since, that they seek this information and use it in investment and voting decisions. A materiality-anchored, filed and machine-readable climate disclosure baseline serves each element of the mission: it protects investors by securing access to material information, it supports efficient markets by reducing search and reconciliation costs, and it facilitates capital formation by giving US issuers a credible, interoperable standard through which to reach global capital. Targeted amendment, not wholesale rescission, is the disposition most consistent with the Commission's own mandate.

We would be pleased to provide the Commission with further information on Minerva's research and analysis methodology, client evidence or practical use of climate-related data in institutional stewardship.

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Minerva Analytics Ltd.
31 July 2026