



The Forum for Sustainable and Responsible Investment

Via electronic submission to: PerformancePlanning@sec.gov

July 25, 2018

Office of Financial Management  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-2521

Re: Comments on Proposed SEC 2018-2022 Draft Strategic Plan

To whom it may concern:

On behalf of US SIF: The Forum for Sustainable and Responsible Investment, I welcome the opportunity to submit the following comments on the US Securities and Exchange Commission's (SEC) Strategic Plan for 2018-2022.

US SIF is the leading voice advancing sustainable, responsible and impact investing across all asset classes. Our mission is to rapidly shift investment practices toward sustainability, focusing on long-term investment and the generation of positive social and environmental impacts. Our member firms and organizations represent more than \$3 trillion in assets under management.

The incorporation of environmental, social and corporate governance (ESG) criteria by investors continues to grow. As of 2016, \$8.72 trillion of US-domiciled assets utilized ESG strategies, according to the US SIF Foundation's *Report on US Sustainable, Responsible and Impact Investing Trends 2016*.<sup>1</sup> This was a 33 percent increase from 2014 and a 14-fold increase since 1995.

Despite this growth, investor efforts to incorporate ESG information into investment decisions have been hindered by a lack of comprehensive and comparable data. The voluntary nature of corporate reporting means that the information remains inconsistent and incomplete.

We are pleased to see that the Strategic Plan recognizes the importance of disclosure to investors under Goal 1 ("Focus on the long-term interests of our Main Street Investors"), section 1.4.<sup>2</sup> One of US SIF's main priorities is robust reporting of ESG information. We encourage the SEC to advance disclosure policies that provide comprehensive, comparable and reliable data to investors.

In 2009, US SIF and its members provided comments to the SEC requesting mandatory corporate environmental, social and governance disclosure and making ESG or

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<sup>1</sup> *US SIF Foundation's Report on US Sustainable, Responsible and Impact Investing Trends 2016*. (2016). Washington, DC: US SIF Foundation.

<sup>2</sup> US Securities and Exchange Commission (SEC) Strategic Plan for 2018-2022, page 6.

<https://www.sec.gov/reports-and-publications/strategic-plan/reports-strategic-plan-2018-2022>

“sustainability” reporting a top priority.<sup>3</sup> In this letter we proposed two components for such disclosure. The first requested that the SEC require issuers to report annually on a comprehensive, uniform set of sustainability indicators comprised of both universally applicable and industry-specific components. The second asked that the SEC issue interpretative guidance to clarify that companies are required to disclose short- and long-term sustainability risks in the Management Discussion and Analysis section of the 10-K (MD&A). Since then, US SIF staff and US SIF members have met with SEC Commissioners and staff on numerous occasions and have stressed the importance of ESG disclosure.

We also responded to the 2016 SEC Concept Release on “Business and Financial Disclosures Required by Regulation S-K” (Concept Release No. 33-10064; 34-775599; File No. S7-06-16). The release sought public comment on how the Commission could update its disclosure requirements to facilitate timely, material disclosure by registrants and investors’ access to that information. The extensive comments US SIF submitted affirmed the importance of robust corporate disclosure and noted the broad support from investor organizations for sustainability reporting.<sup>4</sup>

Earlier this year, US SIF—along with other investor organizations—jointly published “Towards a Sustainable Economy: A Review of Comments to the SEC’s Disclosure Effectiveness Concept Release.”<sup>5</sup> The report notes:

Commenters expressed clear support for expanded and enhanced disclosures. Support came from a wide range of sources: institutional investment managers, individual investors, public pension funds, research analysts, public interest advocates, individual members of the public, academics, trade associations, standards setting organizations, accountants, members of Congress, and even other government entities.<sup>6</sup>

Thank you for taking our views into consideration and for the opportunity to comment. If you have any questions regarding the contents of this letter, please contact me directly at [lwoll@ussif.org](mailto:lwoll@ussif.org) or 202-872-5358.

Sincerely,



Lisa Woll  
CEO

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<sup>3</sup> US SIF letter, July 21, 2009.

[https://www.ussif.org/files/Public\\_Policy/Comment\\_Letters/SIF\\_SEC\\_ESG\\_Disclosure\\_Policy\\_Letter\\_and\\_Submission%2008142009.pdf](https://www.ussif.org/files/Public_Policy/Comment_Letters/SIF_SEC_ESG_Disclosure_Policy_Letter_and_Submission%2008142009.pdf)

<sup>4</sup> US SIF comment letter: “Business and Financial Disclosures Required by Regulation S-K” (“Concept Release”): Concept Release No. 33-10064; 34-775599; File No. S7-06-16, <https://www.sec.gov/comments/s7-06-16/s70616-107.pdf>

<sup>5</sup> Towards a Sustainable Economy: A Review of Comments to the SEC’s Disclosure Effectiveness Concept Release, September 2016.

[https://www.ussif.org/Files/Public\\_Policy/Comment\\_Letters/Sustainable\\_Economy\\_Report.pdf](https://www.ussif.org/Files/Public_Policy/Comment_Letters/Sustainable_Economy_Report.pdf)

<sup>6</sup> Ibid, p. 9