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File Number S7-10-22: The Enhancement and Standardization of Climate-Related Disclosures for Investors (Release Nos. 33-11042; 34-94478)

Dear Ladies and Gentlemen,

We highly appreciate the opportunity of providing our view on the U.S. Securities and Exchange Commission's ("SEC") proposed rule, File No. S7-10-22, Release Nos. 33-11042; 34-94478. This letter represents the view of the Accounting Standards Committee of Germany ("ASCG").

The ASCG is registered as a not-for-profit organization. Based on an agreement with the German Federal Ministry of Justice, the ASCG has been recognised as the reporting standard-setter for Germany. It has been charged with establishing and financing independent technical bodies and delegating the role of standard-setting to those bodies, the Financial Reporting Technical Committee and the Sustainability Reporting Technical Committee. Besides setting national accounting standards, it is one of its objectives to comment on corporate reporting matters dealt with by international bodies.

Our comments below focus on question 189, i.e.

189. If we adopt an alternative reporting provision, should that provision be structured to encompass reports made pursuant to criteria developed by a global sustainability standards body, such as the ISSB? If so, should such alternative reporting be limited to foreign private issuers, or should we extend this option to all registrants? What conditions, if any, should we place on a registrant's use of alternative reporting provisions based on the ISSB or a similar body?

As a standard-setter we are convinced of the comprehensive benefits for all parties involved such as preparers, auditors, users and regulators, if one set of high-quality sustainability reporting standards is applied globally. We support a global baseline approach in the development of sustainability reporting standards, to ensure the connectivity of future IFRS sustainability reporting standards with other international, regional and national standards. This approach will help investors understand investment opportunities worldwide more clearly and will

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enable issuers to access capital markets at a lower cost. We see reducing the disparity between the climate-related disclosure practices of the United States and other countries as an important objective both for the protection of investors and the efficiency of capital markets. This applies equally to financial reporting and sustainability reporting.

In 2009, the SEC adopted rules which enabled the foreign private issuers in their filings with the SEC to report financial statements prepared in accordance with IFRS as issued by the IASB without reconciliation to US-GAAP. We unreservedly welcomed this significant step towards convergence of globally accepted accounting standards.

Similarly, we see the use of high-quality, internationally accepted sustainability reporting standards as an important and worthwhile goal. It will enable investors and other stakeholders to make informed judgments about the actual and potential impact of ESG-related risks and metrics as well as of opportunities on the financial position and financial performance of an issuer. Furthermore, preparing the foreign issuer's sustainability disclosures using the sustainability standards as issued by the ISSB would significantly streamline the preparation of sustainability disclosures of those issuers and thus, would significantly reduce existing complexities and administrative costs. Also in the European Union, there is an intensive debate regarding the way how the global baseline approach of the ISSB can be implemented. Accordingly, the idea of a global baseline approach is also reflected in the development of the European Sustainability Reporting Standards (ESRS).

For these reasons, we strongly support a provision of the SEC that would at least enable the foreign private issuers registered in the United States to use of the alternative sustainability reporting provisions as issued by the ISSB. Even better would be to apply such an approach for all SEC registrant subject to sustainability disclosures including domestic filers. We are of the opinion that such a set-up would greatly benefit the development of a global baseline for sustainability reporting.

If you would like to discuss our comments, please do not hesitate to contact me at lanfermann@drsc.de.

Yours sincerely,

Georg Lanfermann
ASCG President