EXHIBIT 9

Statement

Statement on the Enhancement and Standardization of Climate-Related Disclosures for Investors

Commissioner Caroline A. Crenshaw

March 21, 2022

Today marks an important and long-awaited step forward for the Securities and Exchange Commission. While other jurisdictions and independent bodies have made significant strides to provide investors and companies with a basic framework for climate-related disclosures,[1] for too long we have left the U.S. markets to rely solely on outdated and outmoded guidance [2]

In that vacuum, companies and investors fend for themselves. Companies do not know which regime to follow, what information to disclose, and how best to disclose it. Investors try to figure out how to compare different regimes, how to use discordant information, and how to discern whether it's even accurate. All the while, these data have become more important than ever to inve tor a they make their inve tment and voting deci ion [3] The re ult ha been fru tration with companie making di parate climate di clo ure that vary in cope, specificity, location, and reliability;[4] and investors who do not have accurate, reliable, and comparable information.

A a Commi ioner, it i not my job to decide for million of inve tor what information i material to them [5] Rather, it i my job to li ten and engage with inve tor and the market It' to protect inve tor and to help en ure the fair and efficient allocation of resources. It's to help provide ground-rules for disclosures so the market and investors can operate effectively.[6] And, what is abundantly clear after reviewing the comment file for months, and listening to investors and companies for years, is that it's time to modernize and standardize.[7]

To that end, the propo ed rule would, by improving the total mi of available data, empower inve tor to make more informed decisions. Additionally, with standardized disclosures, investors and their advisers can both track data over time and effectively compare data across companies and sectors. This proposal also offers needed modernization while providing flexibility to adapt to a constantly changing market. With the rest of my time today, I will discuss a few examples from the proposal that facilitate these improvements.

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First and foremost, the proposal is carefully and thoughtfully calibrated to ensure that the information being di clo ed i what inve tor need to make their allocation and voting deci ion In fact, a number of corporation are di clo ing much of thi information already, but the propo al enhance tho e di clo ure in meaningful way

As one example, in their financial statements companies would need to separate out and disclose the impact of physical risks, transition risks, and certain other company-identified climate-related risks on their bottom line. [8] In other words, a company would need to reflect the impact of physical risks, such as a severe ice storm or hurricane, on their line items such as revenue, assets, and liabilities and provide contextual information about how that measure was derived.[9] Such risks could also prompt complementary qualitative disclosure on how future hurricane seasons may impact the company's business in the short-, medium-, and long-term.[10] Additionally, once such a physical risk is identified, companies would need to tell investors details about the properties and operations subject to that risk,[11] shedding light on that risk, rather than burying it.[12] These disclosures would provide much needed clarity [13]

Providing clarity and a meaningful baseline for climate-related disclosures represent important progress, but the information also has to be accurate and reliable. Ensuring the quality of these data has consistently been one of the biggest challenges to investors and industry.[14] In this vein, the proposal responds to the numerous and clear call for an out ide, impartial check on greenhou e ga emi ion ("GHG") di clo ure [15] In re pon e to tho e call , the propo al require that Scope 1 and 2 GHG emi ion [16] be di clo ed eparately and, for the large t companies, be subject to limited assurance by an independent party one fiscal year after compliance with the rule. [17] After an additional two fiscal years, there would be a step-up to a more thorough independent party review called reasonable assurance.[18] These independent party reviews are certainly a meaningful step in promoting accuracy and reliability for obvious reasons. Companies want to attract and retain investments, which can pose a conflict when companies have to disclose negative information. Including an independent review reduces that conflict and yields higher quality and more reliable data.[19]

Moving forward we will need to make crucial decisions about how best to bring robust accountability to emissions disclosures and whether we have properly calibrated the scope of such disclosures.[20] Investors have noted that GHG emissions disclosures are material[21] and necessary[22] in their capital allocation and voting decisions. Therefore accuracy, comparability, and reliability are of utmost importance. The events that led to the passage of the Sarbane O ley Act, and the en uing 20 year , erve a a con tant reminder of the importance of a vigorou gatekeeping function [23] Here, a robu t gatekeeping function would help en ure that the di clo ed information i what it says it is. I encourage commenters to review these parts of the release with added attention, and to engage the Commission with your views.

Finally, there ha been an increa e in net zero pledge from companie [24] Inve tor have noted that without more pecific, tandardized, and reliable di clo ure , it will be difficult to a e and mea ure the progre companies make toward achieving what they have pledged.[25] Importantly, if a company includes Scope 3 emissions—emissions indirectly attributable to the organization through its value chain —in a GHG reduction target or goal, then it must disclose its Scope 3 emissions.[26]

Further, the propo al would require di clo ure on the u e of carbon off et Carbon off et are credit for emissions reductions purchased from an outside project. The company can then use the credit to count as a reduction of its emissions footprint, without changing the emissions it produces from its operations and business. If such offsets have been used as part of a company's target or goal, the company would be required to disclose the amount of carbon reduction represented by the offset and information about the source of the offset.[27] Essentially, if companies claim they are reducing overall carbon emissions by other means, they need to tell investors and how they are doing that. Commenters have indicated problems with offset verification, accuracy, and quality, and that they need better in ight into how companie count off et toward their climate goal [28]

These disclosures are, again, carefully calibrated and the staff took great pains to ensure a thoughtful and balanced approach that provides investors with information that they have been seeking for years. I look forward to feedback on these disclosures and whether they will help keep pace with the market.

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The three topic that I have highlighted are ju t element of a thorough and nuanced propo al   a propo al that po e many important que tion   It i detailed and thoughtful and a meaningful tarting point de igned to help advance the important work of protecting investors, maintaining fair, orderly and efficient markets, and facilitating capital formation. Climate-risks and -opportunities have, and will continue to, play a critical role in all three of these areas.

I look forward to working with my colleague on the Commi   ion, on the taff, and the public to trike the right balance.

And most importantly, I want to give a loud, robust, and emphatic thank you to the staff in Corporation Finance, the Office of the Chief Accountant, the Office of the General Coun el, and the Divi ion of Economic and Ri k Analy i who have worked tirele ly for month on thi rulemaking Your hard work, dedication, and e perti e are alway evident in the Commission's actions, and I want to highlight it especially here. Thank you for your public service.

Thank you to the Chair and his counsel, Mika Morse, for their steadfastness and commitment to investors and the market   Thank you to my colleague, Commi   ioner Alli on Lee, for opening the Reque t for Input, which ha been in trumental in forming many a pect of today' propo al

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[1] *See, e g* , The Enhancement and Standardization of Climate Related Di clo ure for Inve tor , Rel No 33 11042]; 34 94478 at   I B, IV B 2 (propo ed Mar 21, 2022) [hereinafter *Proposal*]

[2] *See* Commission Guidance Regarding Disclosure Related to Climate Change, Release Nos. 33-99106; 34-61469 (Feb. 8, 2010)

[3] *See, e.g.*, Proposal at 9, 175-76.

[4] *See, e g* , Propo al at 38 42 (noting the fragmentation of climate reporting framework)

[5] As the Supreme Court has held, information is material "if there is a substantial likelihood that a reasonable shareholder would consider it important" in making an investment or voting decision, or if it would have " ignificantly altered the 'total mi ' of information made available " *TSC Industries, Inc v Northway, Inc* , 426 U S 438, 449 (1977); *ee also Basic Inc v Levinson*, 485 U S 224, 231, 232, and 240 (1988); *Matrixx Initiatives, Inc v. Siracusano,* 563 U.S. 27 (2011); 17 CFR 240.12b-2 (providing definition of "material").

[6] *See, e.g.*, 15 U.S.C. 77g; 15 U.S.C. 78*l*, 78m, and 78o.

[7] *See, e.g.*, *supra* note 1.

[8] *See* Propo al at Section II F, 482 86 A the public review thi   ection of the Propo al, I look forward to input on the scope of climate-related impacts, and whether the scope of climate-related risks and opportunities is appropriately captured. For example, should the requirement be that companies must disclose any climate-related financial impact, subject to the 1% impact threshold? Note that risks "must" be disclosed while opportunities "may" be disclosed. *See* 498-499 (proposed section 210.14-02(i), (j)).

[9] This aspect of the proposal sets a bright-line threshold for when the disclosure is triggered – if the aggregate impact on the line item is more than 1% of the total line item for the relevant fiscal year. *See* Proposal at 495.

[10] Propo ed Item 1502 would require a de cription of any climate related ri k rea onably likely to have a material impact on the regi trant that may manife t over the hort , medium , and long term *See* Propo al at 482 86.

[11] *See* Proposal at *id.* (description of the nature of the risk, whether it is an acute or chronic risk, the location and nature of the propertie , proce   , or operation   ubject to the phy ical ri k, definition of hort , medium , long term horizon and the actual and potential impact on trategy, bu ine   model and outlook among other thing)

[12] *See* Proposal at *id.*

[13] *See, e.g.*, Proposal at 32-37.

[14] *See, e.g.*, *id.*

[15] *See* Proposal at n. 416.

[16] Scope 1 emissions are defined as the direct GHG emissions from operations that are owned or controlled by a registrant. *See* Proposal at 480. Scope 2 emissions are indirect emissions from the generation of purchased or acquired electricity, steam, heat, or cooling that is consumed by operations owned or controlled by a company. *See id.* Scope 3 emissions are all other indirect GHG emissions that are not a part of Scope 2. *See* id.

[17] Scope 3 emissions would be subject to a materiality qualifier, and would not be subject to any level of assurance. *See* Proposal at 159, 225. However, if a company identifies Scope 3 emissions as part of an emissions target or goal, then disclosure would be required. *See* Proposal at 489 (proposed Item 1504(c)).

[18] *See* Proposal at 226.

[19] *See, e.g.*, Proposal at n. 897 *citing* N. Tepalagul, and L. Lin, Auditor Independence and Audit Quality: A Literature Review, 30(1) Journal of Accounting, Auditing & Finance 101-121 (2015).

[20] In addition to the varying levels of review contemplated, it is important that the public considers that the disclosures relating to GHG emissions would not be subject to the existing framework for attestation of internal controls that independent accountants provide during their audits of the financial statements. That framework is referred to as the internal control over financial reporting ("ICFR"). Today, reasonable assurance is provided by registered public accounting firms over a company's consolidated financial statements that are included in Form 10-K and its ICFR. *See, e.g.*, PCAOB AS 2201 at paragraph .06 *An Audit of Internal Control Over Financial Reporting That Is Integrated With An Audit of Financial Statements*, (which states that "the audit of *[ICFR] should be integrated with the audit of the financial statements*. The objectives of the audits are not identical, however, and the auditor must plan and perform the work to achieve the objectives of both audits.") (emphasis added); Kayla J. Gillan, Board Member, PCAOB, *A Layperson's Guide to Internal Control Over Financial Reporting*, Mar. 21, 2006 ("The audit of a company's financial statements and the audit of that company's ICFR must be performed by the same auditor, and the two audits should be integrated"). ICFR is a process designed by the issuer's principal executive and financial officers, effected by the board of directors, to provide "reasonable assurance regarding reliability of financial report and the preparation of financial statements for external purposes." *See, e.g.*, PCAOB, AS No. 2201 at paragraph .02. In other words, ICFR consists of policies and procedures designed to provide the highest degree of confidence possible for investors that the financial statements are fairly stated. Investors can then allocate their money and resources appropriately. ICFR uses many checks and balances to attain this degree of quality and confidence of a financial statement, including books and records requirements, management assessments and attestation of the effectiveness of their ICFR which are, in turn, assessed and attested to by a publicly-registered accounting firm in many cases. As part of the audit of ICFR, to further understand the likely sources of potential misstatements, and as part of selecting the controls to test, the auditor is required to "walk-through" at least one transaction, which gives the auditor a "soups-to-nuts" review of how the information begins, how it is recorded, and how it flows through to the reported financials. *See, e.g.*, PCAOB AS No. 2201 at paragraph .37. A robust and high-quality system of internal control over financial reporting impact the ability of an auditor's effective and efficient review of financial statements. *See* Gil S. Bae et al., *Auditors' Fee Premiums and Low-Quality Internal Controls*, 38 Contemporary Accounting Research 586 (Spring 2021) (noting several prior studies have found positive association between weak internal control over financial reporting and higher audit fees and finding evidence that increased fees are due to both more hours worked by auditors and the attendant increases in litigation and reputational risk for the auditor). As noted, ICFR is subject to a Sarbanes-Oxley Act Section 404(b) attestations. The Sarbanes-Oxley Act requires that the management of public companies assess the effectiveness of the internal control structure and procedures of issuers for financial reporting. *See* Sarbanes-Oxley Act §404(a). Section 404(b) requires a publicly-held company's auditor to attest to, and report on,

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management's assessment. *See* Sarbanes-Oxley Act §404(b). Section 404(b) applies to "accelerated filers" and "large accelerated filers." *See*Amendments to the Accelerated Filer and Large Accelerated Filer Definitions, Final Rule, Rel. No. 34-88365, 58 (Mar. 12, 2020). Further, any changes to an issuer's ICFR that are reasonably likely to materially affect the ICFR must be evaluated by management.

While today's proposal does contemplate a step-up to reasonable assurance over Scope 1 and Scope 2 emissions, it does not contemplate reasonable assurance over the framework that companies use to monitor, record, and report their GHG emissions. Rather than ICFR, GHG emissions disclosures would be subject to the disclosure controls and procedures ("DCP") under today's proposal. *See* Release at Section II.H. Here, issuers must design DCP to ensure that information required to be disclosed is recorded, processed, summarized, and reported within the relevant time periods and is accumulated and communicated to the issuer's management as appropriate to allow timely decisions regarding the required disclosure. *See* Exch. Act Rule 13a-15(e) and Sec. Act Rule 15d-15(e). Unlike ICFR, there is no requirement for a registered public accounting firm to attest to and report on management's assessment of its disclosure controls and procedures. *See* Sarbanes-Oxley Act §404(b) (only applicable to ICFR); Proposal at Section II.H, RFC #141-142. There is some overlap between information subject to DCP and ICFR in the sense that quantitative information provided outside of the financial statements is often derived from the books and records that are subject to ICFR. *See* Release n. 578 *citing* PCAOB AS 2710 *Other Information in Documents Containing Audited Financial Statements* (requiring an auditor to read the other information (included in an annual report with the audited financial statements). For example, disclosures provided in MD&A are often anchored to a piece of the financial statements and the auditors read and consider whether those disclosures are materially inconsistent with the financial statements they audited. *See* Item 303 of Regulation S-K – MD&A. A key difference here is that GHG emissions would not be tied to underlying information that is subject to ICFR. And, it is important to note that the calculation of GHG emissions involve complex estimation, assumptions, and methodologies. In light of the differences in attestation and oversight between ICFR and DCP, and the complexities in the calculations of GHG emissions, I look forward to hearing public comment on the most suitable framework.

[21] *See, e.g.*, Proposal n. 416.

[22] *See, e.g.*, *id.*

[23] *See supra* note 19.

[24] *See, e.g.*, Caroline A. Crenshaw, Commissioner, Sec. & Exch. Comm'n, *Virtual Remarks at the Center for American Progress and Sierra Club: Down the Rabbit Hole of Climate Pledges* (Dec. 14, 2021).

[25] Today's release would require a company that has set a climate-related goal, such as emissions reduction, to disclose information about the target along with the unit of measurements, the defined time horizon, the baseline the target would be tracked against, and relevant data to indicate whether the registrant is making progress.

[26] *See* Proposal at 489 (proposed Item 1504(c)).

[27] *See* Proposal at 500 (proposed item 1506(d)). Such disclosure would include the source of the offsets, a description and location of the underlying projects, any registries or authentication of the offsets, and the cost of the offsets. *See id.*

[28] *See, e.g.*, Sierra Club et al., Comment Letter on Request for Input on Climate Change Disclosures (Feb. 10, 2022). *See also* Barbara Haya, PhD, Commenter Letter on the May 2021 Public Consultation Report of the Taskforce on Scaling Voluntary Carbon Markets (June 21, 2021) ("Research on offset quality points to questionable quality of the majority of credits on the offset market today. Concerns have been raised about the quality of some of the project types generating large proportions of offset credits issued to date, as well as registry methods for addressing key quality factors including additionality, baselines, and leakage.").