



July 6, 2026

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

Re: File No. S7-2026-15: Semiannual Reporting

Dear Secretary Countryman:

Ceres is writing in opposition to the SEC’s proposed rule, *Semiannual Reporting*, File No. S7-2026-15, because it would reduce disclosure of material financial risks, harming investors. We support investors’ views that 10-Q reporting provides valuable material risk information and add additional evidence about climate-related financial impacts that companies already disclose in 10-Q filings.

Ceres is a nonprofit advocacy organization with over 35 years of experience working to accelerate the transition to a cleaner, more just, and resilient economy. Our [Investor Network](#), [Company Network](#), and [Policy Network](#) include many large U.S. institutional investors and large companies. Drawing on our decades of expertise, we support companies and investors with integrating responsible business strategies and managing financial sustainability issues critical to protecting portfolio value. The Ceres Accelerator for Sustainable Capital Markets aims to transform the practices and policies that govern capital markets by engaging federal and state regulators, financial institutions, investors, and corporate boards to address weather-driven risk as a systemic financial risk. The comments provided herein represent only the opinions of Ceres, and do not necessarily imply endorsement by each member of our Investor, Company, or Policy Networks.

The SEC’s proposed rule is, in effect, proposing a switch from the current minimum quarterly reporting requirement to a minimum requirement of one interim semiannual report on Form 10-S plus an annual report on Form 10-K. The issuer’s choice of either semiannual or quarterly reporting would be entirely voluntary. Companies would select their choice for the following fiscal year on their Form 10-K filing.

SEC question no. 22 asks, “Would the option for semiannual reporting result in an overall reduction in material information for investors?”

Yes, the semiannual reporting option would result in an overall reduction in material information for investors, and therefore should not be an option for issuers.

Semiannual reporting would result in fewer mandatory periodic updates in the robust format of Form 10-Q, which includes Financial Statements, Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A), Legal Proceedings, Risk Factors, and other important Items. The semiannual option will reduce the ability of investors to compare developments between issuers, since some will be providing information quarterly in a standardized format and others will not. In cases when a company switches from quarterly to semiannual reporting, it will eliminate the ability of investors to compare a single issuers’ performance from quarter to previous quarter, and to do a year-over-year quarterly comparison.

How semiannual reporting harms investors

We agree with the view of SEC Investor Advisory Committee Investor as Owner subcommittee members that the proposed rule would harm investors. As discussed in their June 4, 2026 [draft recommendation](#), quarterly reporting allows investor reallocation of capital, results in a strong investor response (shown by increase in trading volume), avoids a potential reduction in returns that could result from remaining invested in poorer performing companies, results in a lower cost of capital for companies that perform well.¹ Furthermore, research shows that semiannual reporting harms investors: “An extensive body of research shows that reducing the frequency of mandatory public company disclosures negatively impacts investors. Studies find that less frequent reporting increases information asymmetry, which in turn leads to higher trading costs, reduced market liquidity, and a higher cost of capital for public companies.”²

Sustainability risks and impacts may cause material financial effects

Ceres approaches the SEC’s proposal by focusing on how material climate-, nature- and water-related risks and impacts are disclosed in SEC filings. That is because of investors’ views, based on abundant evidence, that climate change and other sustainability issues may cause material financial risks and impacts to companies. Since the founding of Ceres’ Investor Network in 2003, investors have said these risks should be disclosed in SEC filings, in the same place where other material financial risks are reported. We have found that the quality of this disclosure varies considerably, and there are high levels of boilerplate disclosure.

Companies disclose material climate change-related and weather-related risks and impacts in 10-Q filings; some examples illustrate how they are disclosed. An electric power company disclosed the financial impacts on the company of the 2024 Smokehouse Creek wildfire: “a total estimated loss of \$460 million”.³ An electric power holding company stated, “California has experienced unprecedented weather conditions in recent years due to climate change and wildfires in [our] territory [. . . We] have incurred material losses in connection with the 2017/2018 Wildfire/Mudslide Events (defined below) and other fires, which are described below. [. . .]”.⁴ The company then listed charges of \$467 million recorded in 2024 and \$90 million recorded in 2023 for these events.⁵ An insurance company disclosed: “We incurred \$760 million of catastrophe losses, or 6.1 loss ratio points, during the third quarter 2022 as a result of Hurricane Ian, compared to \$510 million, or 4.5 loss ratio points, for the same period last year from Hurricane Ida.”⁶

These examples illustrate that weather- and climate-related financial impacts often emerge and evolve over the course of a fiscal year. Quarterly reporting provides investors with standardized,

¹ See [Recommendation of the Investor as Owner Subcommittee of the SEC Investor Advisory Committee Regarding Quarterly vs. Semi-annual Reporting](#), Draft: May 28, 2026, pp. 8-9.

² Id., p. 9.

³ Xcel Energy, April 30, 2026, [Form 10-Q for the quarter ending March 31, 2026](#), pp. 18-19.

⁴ Edison International, [Form 10-Q for the quarterly period ended March 31, 2024](#), p. 47.

⁵ Id., p. 5.

⁶ The Progressive Corporation, [Form 10-Q For the quarterly period ended September 30, 2022](#), p. 39.

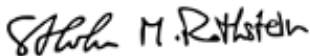
comparable updates regarding the magnitude, timing, and management assessment of those impacts.

Companies also disclose climate change-related and weather-related risks and impacts in Form 8-K filings. For example, one researcher, in a study of 3,752 firms' 8-K filings from 2010 to 2021, found that these filings were useful for evaluating material exposure to disasters such as those related to physical climate risks.⁷

However, Form 8-K filings are not substitutes for quarterly reporting. Form 8-K disclosures are event-driven and report specific developments as they occur. Form 10-Q, by contrast, provides a comprehensive, standardized periodic update that gives investors a structured, comparable view of a company's condition, which Form 8-K cannot replicate. Form 10-Q filings provide important advantages. They enable quarter to quarter comparisons of financial results, material events, and risks. Regarding weather-related risks and impacts, they put the risks/impacts in context by offering management's discussion of its views of business results and what causes the risks.⁸

For the reasons stated above, Ceres urges the Commission to withdraw the proposed semiannual reporting option. Thank you for your consideration of our comments. We would be pleased to discuss our feedback. Please contact Jim Coburn (coburn@ceres.org) with any questions.

Sincerely,



Steven Rothstein
Chief Program Officer
Ceres



Jim Coburn
Senior Manager, Disclosure and Regulation
Ceres

⁷ Glen Gostlow, [Predicting Weather Exposure with Historical Evidence from Form 8-K](#), July 24, 2023, pp. 11, 30.

⁸ See, e.g., SEC, [Investor.gov: How to Read a 10-K/10-Q](#), Jan. 25, 2021.