

Vanessa Countryman, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-0609

Email via rule-comments@sec.gov

Date: 06 May 2022

Dear Secretary,

Re: Submission on Proposed Rule S7-09-22 – Public Company Cybersecurity

About Railpen

Railpen is the investment manager for the UK railways pension schemes, and is responsible for managing c. \$50 billion of assets on behalf of 350,000 members. Railpen is authorised and regulated by the UK Financial Conduct Authority (FCA). Although we are a UK-based manager, we are a global investor. This includes a significant allocation to US securities.

About the investor coalition on cybersecurity

Railpen is submitting this response on behalf of a broader coalition of investors, managing assets of over \$480 billion, that has been engaging with companies on cybersecurity issues over the last three years. The coalition is led by Royal London Asset Management (RLAM) and constitutes several of the UK's largest asset owners. Many of the investors in this coalition have extensive portfolios of US securities.

It was set up in recognition of the fact that, while effective governance of – and reporting on – cybersecurity and cyber breaches is vital, many companies do not disclose enough detail to ensure investors are sufficiently informed on what is a material issue of growing importance. Our coalition has engaged with companies across multiple sectors in the US, UK and Europe to better evolve our understanding of cybersecurity risk and how to mitigate it.

Our response

We are supportive of the Proposed Rule S7 – 09 – 22. Our group of investors recognises the substantial damage that cybersecurity threats can cause to our portfolio companies and national governments, often resulting in fines, loss of revenue and reputational harm. This in turn can affect investment outcomes for our beneficiaries.

While we acknowledge that some information around companies' approaches to cybersecurity can be sensitive and therefore unsuitable for public dissemination, we believe there remains a significant gap between what decision-useful information many companies can safely publish and what is currently produced.

We outline our views on what constitutes useful cybersecurity disclosure from companies in the attached 'Investor Expectations' document and pack. These reports, published at the end of 2021, incorporated feedback from our company engagements. They provide specific

examples, gathered from companies' existing public disclosures, of what we consider good practice in corporate disclosure on cybersecurity governance, risk and controls management and building a culture of cyber awareness amongst employees, suppliers and customers. You will note that much of this aligns with the Commission's own proposed amendments.

We hope that the information contained in these documents will be of use. We would be happy to further discuss the feedback from our engagements, should this be of use.

Yours sincerely,

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Michael Marshall

Head of Sustainable Ownership – Railpen

Carlota Garcia-Manas

Head of Engagement – Royal London Asset Management

David Russell

Head of Responsible Investment – USS Investment Management

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