

Securities and Exchange Commission Request for Public Input on Climate Change Disclosures: Multi-State Coalition Comments



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California's Attorney General, along with other state Attorneys General (collectively "States"), submitted June 14th comments to Securities and Exchange Commission ("SEC") in response to a request for public input on current and potential regulation of climate change disclosures.

Attorneys General participating in the comments include those from the following states:

- Connecticut
- Delaware
- Illinois
- Maryland
- Massachusetts
- Michigan
- Minnesota
- New York
- Oregon
- Vermont
- Wisconsin

The states' letter is intended to provide their perspective:

... on the need for comparable, specific, and mandatory climate-related disclosures from SEC-regulated firms.

The states argue that the disclosures are:

- Within the SEC's authority to require
- Essential not only to the SEC's mandate to protect investors but also to ensure efficient capital formation and allocation

The states argue that climate change:

- Is imminent and could threaten the United States economy and financial system
- Has triggered demands from institutional/retail investors for American companies to respond to the financial and other impacts of climate change

- Triggers the need for companies to address how they are responding to climate change to ensure efficient allocation of capital to climate-resilient businesses

The states argue that, despite SEC disclosure requirements, many United States companies only develop boilerplate discussions. They express concern that the companies are not thoroughly disclosing their exposure to climate-related risks. The SEC is requested to incorporate climate-related disclosure requirements into Regulation S-K and Regulation S-X as part of its integrated disclosure framework.

The key components of the comments include:

- States Have a Significant Interest in Requiring Robust Climate-Related Disclosures by SEC-Regulated Firms
- Climate Change Poses Significant Risks to SEC-Regulated Firms as Well as to United States and Global Financial Systems
- The SEC's Current Disclosure Regime Has Not Resulted in Adequate Climate-Related Disclosures
- The SEC Should Require that SEC-Regulated Firms Make Climate-Related Disclosures

A copy of the comments can be downloaded [here](#).