35+ Groups Call on SEC to Withdraw Proposal to Rescind Climate Disclosure Rule

Public Citizen

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: **Rescission of Climate-Related Disclosure Rules**
Attention: 91 FR 33296; RIN 3235-AN76; File No. S7-2026-19

Dear Ms. Countryman:

Americans for Financial Reform Education Fund, Public Citizen, and the 35 undersigned organizations strongly oppose the Securities and Exchange Commission's (the "Commission") Proposed Rule (the "Proposal") that would rescind its 2024 climate disclosure rule. The climate disclosure rule was a critical effort—informed by years of public consultation with registrants, investors, and the public—to deliver the consistent, comparable, and decision-useful information that market participants need to assess public companies' climate-related financial risks and their strategies to manage those risks, and to value their securities. The rule elicited the most comments the Commission has ever received and garnered nearly unanimous support from institutional investors managing over $50 trillion in assets. The need for this type of disclosure has only grown as climate-related financial impacts accelerate and reshape the economy. The Commission should withdraw the Proposal.

Climate change is a growing source of financial risk for public companies and investors.

Recent studies find global warming is accelerating and global greenhouse gas (GHG) emissions continue to rise. Financial impacts on companies are undeniable. In Florida, nine property insurance companies—including three of the 10 largest in the state—have gone insolvent since 2021 due to worsening hurricanes. State Farm, the largest U.S. property insurer, received an emergency rate hike in California and required a $400 million cash infusion from its parent company to its California subsidiary to ensure it remained solvent following the 2025 Los Angeles fires. The World Economic Forum estimates that climate hazards will drive around $600 billion in yearly losses by 2035 for listed companies globally, representing a seven percent average drop in earnings, with certain sectors even more exposed. Researchers estimate global losses from fossil fuel asset stranding will reach $2.3 trillion by 2040 due to regulatory and legal challenges, new technologies and innovations, and shifting consumer preferences.

Outside of the United States, financial regulators are continuing to respond to these impacts. As of 2024, jurisdictions representing over half of global GDP and over 40 percent of global market capitalization were implementing climate disclosure standards aligned with the International Sustainability Standards Board framework. The Bank of England announced in June 2026 it will incorporate transition risk into its corporate bond collateral framework. Market participants and regulators around the world recognize that climate change and the clean energy transition create significant financial risks and opportunities that all public companies need to manage.

The Commission responded to a clear market failure with the climate disclosure rule, which investors overwhelmingly supported.

The Commission has recognized the need for registrants to make climate disclosures dating back to its 2010 climate guidance, but the lack of specific, mandatory requirements in that guidance resulted in many firms providing only vague, boilerplate climate disclosures, or none at all. Due to strong investor interest, several private sector-led voluntary disclosure frameworks proliferated, but inconsistencies between frameworks and incomplete reporting resulted in incomparable, low quality data, making it expensive and time-consuming for investors to access and analyze.

The Commission's 2021 request for information on climate disclosure generated thousands of comments. "[M]ost commenters support[ed] the SEC's effort to develop mandatory climate-related disclosures," while "[n]early all letters, regardless of commenter type, express[ed] support for modeling mandatory disclosures on Task Force on Climate-Related Financial Disclosure (TCFD) recommendations." With its 2022 climate disclosure proposal and 2024 final rule, the Commission was responding to a well-defined and extensively documented market failure to provide comparable and decision-useful information on the financial risks associated with climate change. All workers with savings in 401ks, pensions, or other stock market investments stand to benefit from the greater price accuracy and lower volatility, even if they never access the disclosures themselves.

The Proposal ignores this history and suggests the climate disclosure rule was based on "[g]eneralized invocations of…investor demand" which cannot "form the basis for Rulemaking." The Commission did not base or justify the climate disclosure rule merely on 'generalized invocations' of investor demand—the 2022 proposal received more explicit support from investors than any other in the agency's history, and investors identified specific ways they use climate risk information when investing, for example, to attribute value to company cash flows, for overall company valuations, and for portfolio analysis. By disregarding the overwhelming and rationally explained investor support for the climate disclosure rule, the Proposal is inconsistent with the central premise of *TSC Industries vs. Northway*: that the concept of "materiality" is grounded in the views of investors.

The Commission's Proposal would undermine transparency in capital markets to protect companies with high climate-related financial risks.

The biggest beneficiaries of the Proposal would be companies with high climate-related financial risks seeking to avoid disclosing their risks—including those stemming from their greenhouse gas emissions—in financial regulatory filings. The *Washington Post* reported in February 2025 that the Commission's suspension of the climate disclosure rule was an "early gift" to the fossil fuel industry which had made significant campaign donations and organized fundraising efforts for Donald Trump's 2024 presidential campaign. With this rescission, the Commission is seeking to protect America's largest corporations, especially those with high climate-related financial risks, at the expense of investors, market participants, and the public broadly.

The SEC has clear and specific authority and responsibility to require standardized, comparable climate-related disclosures in furtherance of its mandate to protect investors; support fair, orderly, and efficient markets; and facilitate capital formation. Climate-related disclosures are used and needed not just by purchasers of securities, but also creditors, suppliers, customers, and other market participants that need the information to maintain smooth functioning of the capital markets, and the current system in the U.S. of voluntary disclosure is not meeting the needs of investors. Therefore, the SEC and other financial regulators must mandate public companies, including financial institutions, to disclose climate-related financial risks. The Commission must reverse course.

Sincerely,

Americans for Financial Reform Education Fund
Public Citizen
Adrian Dominican Sisters
Affordable Homeownership Foundation Inc
AFT
Better Markets
Center for Climate Integrity, National
Center for Insurance Research
Center for International Environmental Law (CIEL)
Clean Air Task Force
Climate Defenders
CT COALITION FOR ECONOMIC AND ENVIRONMENTAL JUSTICE
Congregation of St. Joseph
Consumer Watchdog
Daughters of Charity, Province of St. Louise
For a Better Bayou
Freeport Haven Project for Environmental Justice
Friends of the Earth US
Future Group
Green America
Investor Advocates for Social Justice

MARBE SA
Mercy Investment Services
Oxfam America
People Power United
Rainforest Action Network (RAN)
Rise Economy
Service Employees International Union (SEIU)
Sierra Club
The Academy of Financial Education
The Phoenix Group
UCBerkeley, Goldman School of Public Policy, Environment Center
Union of Concerned Scientists
United Church Funds
United Policyholders
U.S. PIRG
Wooley Energy & Environment

Individual Signatories
Dave Jones, Former California Insurance Commissioner