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Majority Action Condemns Ongoing Attacks on the SEC’s Climate Disclosure Rule, Investors’ Ability to Seek Critical Climate Risk Information

WASHINGTON - In today’s House Financial Services Committee hearing, “Beyond Scope: How the SEC’s Climate Rule Threatens American Markets,” Republican committee members sought to undermine the rulemaking authority of the Securities and Exchange Commission (SEC). In response, Eli Kasargod-Staub, executive director of [Majority Action](#), said:

“Congressional Republicans used this hearing to parrot the lies of the fossil fuel industry and provide a platform to the likes of Liberty Energy, which has sued to block the SEC’s climate rule and whose CEO recently claimed that ‘there is no climate crisis.’ These efforts to undermine the SEC’s authority ultimately come at the expense of millions of Americans, whose retirement security depends on long-term value creation in the face of escalating climate risks that both threaten their investments and raise the cost of necessities like housing, food, and insurance.

“The unrelenting attacks on the SEC are part of a concerted agenda to hamstring the ability of shareholders to hold corporations accountable and protect their investments. Fossil fuel companies, industry associations, and right-wing groups have mounted a multifaceted legal attack on the SEC, targeting everything from the climate rule to the Nasdaq board diversity rule to the shareholder proposal process. Meanwhile, ExxonMobil is suing its own shareholders – an unprecedented move clearly intended to intimidate and silence investors concerned about climate risk, and one that could upend the system of shareholder democracy as we know it.”

Current Status of the Climate Rule

The SEC has currently stayed implementation of the climate rule, pending completion of the litigation, to enable the merits of the rule to be thoroughly reviewed in a timely manner and to avoid any uncertainty or confusion for companies subject to the rule. The SEC’s [statement](#) was clear that the Commission would vigorously defend the rule in court while also noting that the rule is “consistent with applicable law and within the Commission’s long-standing authority to require the disclosure of information important to investors in making investment and voting decisions.”

Background on Litigation Efforts to Stay the Rule

On March 6, 2024, the SEC approved the final rule, The Enhancement and Standardization of Climate-Related Disclosures for Investors. The rule then became subject to multiple lawsuits seeking stays of the rule. On March 29, 2024, the Commission filed a motion for a consolidated briefing to account for all motions seeking a stay of final review pending judicial review on the merits of the rule. On April 1, 2024, 31 petitioners opposed the Commission’s motion for a consolidated briefing.

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Majority Action is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. www.majorityaction.us