

AFL-CIO

LEGISLATIVE ALERT

May 20, 2024

Dear Senator:

On behalf of the 12.5 million workers and 60 affiliate unions represented by the AFL-CIO, I urge you to oppose the Congressional Review Act joint resolution that has been introduced by Sen. Tim Scott and Rep. Bill Huizenga to disapprove of a U.S. Securities and Exchange Commission (the “SEC”) rule titled “The Enhancement and Standardization of Climate-Related Disclosures for Investors” (S.J.Res. 72, H.J.Res. 127).

This recently adopted SEC rule will provide investors with comparable, consistent, and reliable information about climate change risks and how companies are managing these risks. The climate change disclosure rule is consistent with the SEC’s longstanding rulemaking authority under the Securities Act of 1933 and the Securities and Exchange Act of 1934 to issue disclosure requirements that are in the public interest and for the protection of investors.

The SEC’s rule will standardize climate change disclosures to make this information more accessible and decision useful for investors including the fiduciaries of workers’ pension plans. Today, more than 90 percent of S&P 500 Index companies have voluntarily issued corporate sustainability reports. However, the lack of uniform disclosure rules regarding climate change risks makes it difficult for investors to locate and compare this information.

Pension plan fiduciaries must have the freedom to consider environmental, social and governance risks when making prudent investment decisions. Without uniform disclosure rules providing standardized disclosure, the consideration of such factors is often costly and difficult. The SEC’s climate change disclosure rule will help pension plan fiduciaries assess such risks if they determine that this information is relevant to their investment decision-making.

For these reasons, we strongly urge you to vote NO on the Congressional Review Act joint resolution to disapprove of the SEC’s rule “The Enhancement and Standardization of Climate-Related Disclosures for Investors.”

Sincerely,



Jody Calemine
Director, Government Affairs