



GEORGIA DEPARTMENT OF LAW

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Dear Chair Gensler:

I write to add my support for the position set out by my colleagues in response to the Commission's March 15, 2021, request for public input on climate change disclosures. I agree fully that any consideration of requiring such disclosures must heed the statutory and constitutional limits on the Commission's authority, and that businesses are up to the task of disclosing relevant information about environmental issues without additional climate-change-focused disclosure requirements.

As my colleagues explained, the Commission has statutory authority to require public reporting only as necessary or appropriate to protect investors and insure fair dealing.¹ For example, public reporting requirements are permissible if they guard against things like price or market manipulation, excessive speculation, and other factors that can make it difficult for investors to properly value securities.² By contrast, it is hard to see how requiring companies to disclose their greenhouse gas emissions is necessary or appropriate for investor protection. The possibility that some investors may be interested in knowing this kind of information before investing in a particular company is not a sufficient basis for imposing new and potentially burdensome disclosure requirements.

The better course—and one that rests on much firmer legal ground—is to continue to allow companies to determine when and whether information about environmental factors, climate change, or related issues is material to their shareholders and potential investors. Our nation's businesses are keenly aware of the trends and risks—environmental and otherwise—that could affect shareholder value in the short term and in the long run. Indeed, many of America's most well-known companies already report information on climate change and related topics to their shareholders of their own volition.

Put simply, the Commission should stay in its legally authorized lane. I join my colleagues in urging you to focus on your critical mandate to safeguard public trading and to avoid politicizing that important and necessary role. I too look forward to participating with the Commission in any future rulemaking efforts.

¹ 15 U.S.C. § 78m(a).

² 15 U.S.C. § 78(b).