SEC Moving Forward With Radical "Climate Disclosure" Rule

Khanchit Khirisutchalual/iStock/Getty Images Plus

The Securities and Exchange Commission (SEC) — one of the hundreds of federal agencies — is moving forward with a radical new rule implementing a woke, leftist "Environmental, Social, and Governance" (ESG) agenda and paving the way for a federally enforced "social credit score."

In March, the SEC proposed a sweeping rule that would require public companies to disclose all carbon emissions related to their operations. This includes companies' own "direct" and "indirect" emissions, in addition to the emissions of their customers and suppliers. These provisions came under heavy criticism from conservatives, who noted that companies will be pressured into adopting radical climate-change policies.

As required under federal law, the agency accepted public comments regarding the rule; by the end of the comment period on June 17, it had received over 10,000 from a wide range of individuals and organizations. The SEC will now respond to these comments and, when this is completed, draft a final rule for its commissioners to consider. It is now up to Congress to stop this radical rule and, more importantly, abolish the SEC, an agency with no constitutional basis.

There are multiple reasons why the SEC's "climate disclosure" rule is dangerous and threatens liberty. Most prominently, by pursuing this rule, the U.S. federal government is implementing ESG — essentially a "social credit score" for corporations pressuring them to adopt uber-woke policies. ESG-pushing companies like BlackRock have successfully moved many corporations far to the left. If the federal government adopts the same policies, this pressure will only intensify — and multiple other federal agencies are considering similar policies.

Furthermore, in their attempt to comply with the rule — which will be costly and burdensome — and maintain a high "score," companies might impose their own social credit scores on consumers. This could result in average Americans being denied services because they haven't adopted a Great-Reset-compliant lifestyle.

More broadly, the SEC's rule is a sneaky way to help end the use of oil and gas while implementing radical Green New Deal environmentalist policies. Unable to implement its collectivist agenda via legislation, the Left is pursuing regulatory workarounds — and these workarounds are contributing to inflation and economic destruction.

Last, but certainly not least, the SEC — or the federal government for that matter — does not have authority to regulate business, including for climate-change-related reasons. Furthermore, nowhere does the U.S. Constitution authorize any branch of the federal government to regulate the areas that the SEC oversees. The SEC’s rule is illegal and unconstitutional — as is the SEC’s very existence.

Accordingly, Congress would be wise to uphold the U.S. Constitution by taking decisive action against the SEC and its “climate disclosure” rule.

To urge your U.S. representative and senators to stop the SEC’s “climate disclosure” rule, visit The John Birch Society’s legislative alert here.