

# E&E NEWS

## **Apple to SEC: Force companies to disclose emissions**

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Apple Inc. is calling on the Securities and Exchange Commission to think different.

The technology giant yesterday said the SEC should adopt rules that would require companies to be more transparent about their contributions to global warming.

Apple's push for more climate transparency marks a milestone of sorts. It's the first time a major public company that isn't a financial firm has thrown its weight behind mandated climate disclosures. (Wealth manager BlackRock Inc. recently called for the same.)

Disclosure "can serve to create a baseline of comparable, consistent and reliable information, help establish best practices, and promote competition, all critical steps to combating climate change," Arvin Ganesan, Apple's head of global energy and environment policy, said in a statement.

For those reasons, the company "believes that the SEC should issue rules to require that companies disclose third-party-audited emissions information to the public, covering all scopes of emissions, direct and indirect, and the value chain," Ganesan added.

Apple is already reporting that information voluntarily. The company has measured and disclosed its global carbon footprint for the last decade.

Now the corporation is pushing the SEC to require its competitors to do the same. According to Ganesan, Apple is eager to collaborate with the agency to ensure that future rules provide capital markets with useful and appropriate climate-related information.

Apple's leadership on the issue is a "big deal," said Steven Rothstein, a managing director at Ceres, an environmental nonprofit.

"Ceres has been advocating for mandatory corporate disclosure of climate risks for many years," he said in an interview, and Apple's support signals that there is an appetite among companies for more.

Not everyone was as optimistic.

Jennifer Schulp, who directs financial regulation studies at the libertarian Cato Institute, said it isn't "terribly surprising" to see a public company support climate disclosure. That's the case in part, she said, because the United States has been moving in that direction for a while.

When it comes to Apple specifically, Schulp added, it seems the company wants the SEC to adopt mandatory disclosures that mirror what Apple has been doing for years.

She chalked it up to the tech giant's "coming out and saying, 'We're already doing this; we would be fine if the government required it — and required it of other companies, as well.'"

The statement comes just one month after the SEC issued a **request for public comment** on its existing climate change guidance, which hasn't been updated since 2010.

In the request, SEC acting Chair Allison Herren Lee noted that over the last decade, "investor demand for, and company disclosure of information about, climate change risks, impacts, and opportunities has grown dramatically."

As a result, she added, questions continue to arise regarding whether existing climate disclosures "adequately inform investors" about the risks companies face from climate impacts and impending environmental regulation.

The public has until mid-June to tell the SEC what climate-related information would be most useful for investors and how companies should go about providing it to them.

President Biden has said he's on board with the idea. During the campaign, Biden pledged that if he won the White House, he would use executive action to require public companies to report their climate risks and carbon emissions (*Climatewire*, Nov. 13, 2020).

That promise is expected to materialize soon. White House climate envoy John Kerry last week said the president is "poised to issue an executive order" that would require companies to be more transparent about the threats they face from rising temperatures (*Climatewire*, April 9).

To be sure, support for mandated disclosure from Apple, Biden and BlackRock doesn't make it a done deal.

Republican members of the SEC, GOP lawmakers and even **West Virginia's attorney general** have strongly opposed recent efforts by regulators to address social and environmental risks to the financial system.

Sen. Pat Toomey (R-Pa.), ranking member of the Senate Banking, Housing and Urban Affairs Committee, is a chief critic. He wrote in a **Twitter post** in March that mandating corporate climate disclosures would be highly partisan and a "total abuse of power."

"What matters is whether an issue is financially material to a reasonable investor, not if it conforms to the woke Left's opinion about what's best for humanity's general welfare," Toomey said.

Experts say partisan opposition is just one obstacle. They say it would likely take a significant amount of time and resources to develop, adopt and then enforce a mandatory climate disclosure regime.

"A lot of companies are looking to have a voice in that process, particularly given that the Biden administration and SEC have been very clear about where their priorities are," Schulp said.