

Long-Awaited SEC Final Rules on Climate-Related Disclosures Face Legal Scrutiny

Kathy Jaffari, Naz Jalali, and Rikisha Collins discuss the final rules adopted by the U.S. Securities and Exchange Commission (SEC) on climate-related disclosures in *The Legal Intelligencer*. These rules mandate certain qualitative and quantitative disclosures in public companies' annual reports and registration statements. Some areas covered include climate-related risks, mitigation activities, governance oversight, assessment and management processes, greenhouse gas emissions, and effects of severe weather events and other natural conditions. The SEC aims to standardize and enhance disclosures, providing investors with clearer insights into how climate-related risks impact businesses.

The implementation of these rules faces legal challenges, with multiple lawsuits alleging that the SEC has overstepped its authority or violated constitutional rights. Consequently, the SEC has voluntarily paused these rules to avoid regulatory uncertainty during the ongoing litigation. Companies are advised to continue considering robust climate-related disclosures in line with existing SEC guidance and investor demands. Since it is not clear if the SEC will extend the compliance date of the final rules if they withstand the legal challenges, large accelerated filers in particular should continue to prepare for future compliance.

To read more, [click here](#).



Rikisha Collins

Associate

rcollins@cozen.com
Phone: (215) 366-4464
Fax: (215) 665-2013



Katayun I. Jaffari

**Chair,
Corporate
Governance
Co-
Chair, Capital
Markets &
Securities
Chair,
ESG**

kjaffari@cozen.com
Phone: (215) 665-4622
Fax: (215) 665-2013



Mehrnaz Jalali

Member

mjalali@cozen.com
Phone: (212) 453-3949
Fax: (212) 509-9492

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