

“The Sheet”

PRACTICAL TACTICS FOR
NORTH STAR SUSTAINABILITY



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CALIFORNIA CLIMATE
DISCLOSURE LAWS

FIRST: THE FACTS

In October 2023, California Governor Gavin Newsom signed two ambitious climate disclosure laws into place, aiming to mandate corporate transparency for companies doing business in California related to greenhouse gas emissions and climate-related financial disclosures.

WHO IS SUBJECT?

Both major California climate laws apply to companies doing business in California, whose full company revenues meet certain thresholds (not just those revenues made in California). The Climate Corporate Data Accountability Act (SB 253 - and 2024 amendment SB 219) applies to companies with more than \$1B in revenue and the Climate-Related Financial Risk Act (SB 261) applies to companies with more than more than \$500M in revenue.

The Regulations



SB 253/219:
**The Climate
Corporate Data
Accountability Act**



**SB 261: Greenhouse
Gases: Climate-
Related Financial
Risk**

DISCLOSURE REQUIREMENTS AND TIMELINES

Under SB 253 (and amendment SB 219), companies must report:

- ▶ Scope 1 and 2 emissions for the full company, validated by external, independent auditors.
- ▶ First reporting will be due in 2026 for 2025 emissions, submitting reports on a forthcoming digital platform.

Under SB 261, companies must report:

- ▶ Prepare a report that aligns with the Task Force on Climate-Related Financial Disclosures (TCFD).
- ▶ First reporting will be due in 2026 and reported biennially from there forward.