

Companies must prepare ahead of California's new climate disclosure legislation

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Boom – Climate Week NYC is here and California Governor Gavin Newsom has kicked off the event with a major climate announcement that will certainly be welcomed by those pushing to see greater climate action.

Gov Newsom has committed to sign Senate Bill 253, California's new climate disclosure legislation and the nation's first comprehensive greenhouse gas emissions disclosure requirement.

| What is Senate Bill 253 and 261?

Senate Bill 253 (SB 253) is the US's first ever economy-wide mandatory climate disclosure policy. The bill focuses on greenhouse gas (GHG) emissions disclosure, while Senate Bill 261 (SB 261) is focused on climate risk disclosure.

Both bills were passed in the California State Assembly last week, cementing California's position as a climate leader by signing these bills into law.

- SB 253 will require companies that do business in California and earn at least \$1 billion annually to report climate pollution across their supply and value chains. SB 261 will require companies with revenue over \$500 million to report on their climate-related risks.
- Both bills apply to public and private companies over certain revenue thresholds.
- SB 253 will apply to more than 5,300 companies and SB 261 will cover more than 10,000 companies.

The bills complement the US Securities and Exchange Commission's proposed rule requiring climate disclosure for public companies, and the International Sustainability Standards Board's (ISSB) global standards, which are expected to be finalised this year.

What's next?

Beginning January 1 2026, companies will need to publicly release a report biennially outlining climate-related financial risks and approaches used to reduce and adapt such risks.

How can Ogier help?

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. Our sustainable investment consultants can help you measure and monitor climate-risks and align to required disclosure standards.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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