

# California Climate Disclosure Bills Signed into Law

October 10, 2023

On October 7, 2023, California Governor Gavin Newsom signed SB 253, the Climate Corporate Data Accountability Act (the “CCDAA”), and SB 261, the Climate-Related Financial Risk Act (the “CRFRA”), into law. As we previously [reported](#), the CCDAA will require covered companies doing business in California with total annual revenues of \$1 billion or greater to annually disclose their full value chain greenhouse gas emissions (inclusive of Scope 1, Scope 2 and Scope 3 greenhouse gas emissions), and the CRFRA will require covered companies doing business in California with total annual revenues of \$500 million or greater to publish biennial reports disclosing their climate-related financial risks and the measures they have adopted to mitigate and adapt to the disclosed risks. The California Air Resources Board (“CARB”) is responsible for overseeing the requirements of the CCDAA and CRFRA.

While Governor Newsom signed the CCDAA and CRFRA into law, his signing messages included concerns related to the bills’ implementation, reporting requirements and potential financial impact. In particular, Governor Newsom [stated](#) that the CCDAA’s reporting protocol could result in inconsistent reporting across covered companies. Governor Newsom also [expressed](#) concern over the feasibility of the implementation timelines for the CCDAA and the CRFRA, noting that the CRFRA provides insufficient time for CARB to adequately carry out the CRFRA’s requirements, as well as the overall financial impact of the bills on covered companies. As a result, Governor Newsom directed his administration to work with the California legislature to address these concerns and instructed CARB to monitor the financial impact of implementing both bills.

We will continue to monitor developments and will provide updates as they become available. Please do not hesitate to contact us with any questions.



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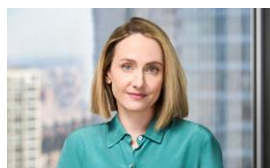
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