

	CA SB 253	CA SB 261	SEC Proposed Rule
Covered Entities	Any public or private company organized under the laws of any United States state or an act of Congress with the total annual revenue of at least \$1 billion that “does business” in California	Any public or private company organized under the laws of any United States state or an act of Congress with the total annual revenue of at least \$500 million that “does business” in California Insurance companies are exempt and subject to separate climate reporting	All domestic and foreign publicly registered companies
Reporting Scope	Covered entities must report Scopes 1, 2 and 3 of GHG emissions	Covered entities must disclose: <ul style="list-style-type: none"> • The entity’s climate-related risks¹ in accordance with the Task Force on Climate-related Financial Disclosures framework and disclosures, and • Measures adopted to reduce these risks 	Covered entities would disclose: <ul style="list-style-type: none"> • Governance of and risk management processes for climate-related risks • Materiality of any identified risks to the business and consolidated financial statements over the short, medium and long term • How any identified risks have affected or are likely to affect business strategy, model and outlook, and • Impact of climate-related events on the line items of their consolidated financial statements Scopes 1 and 2 must be disclosed and Scope 3 is disclosed only if material or an emissions target is set

¹ Climate-related risks are defined as a “material risk of harm to immediate and long-term financial outcomes due to physical and transition risks, including, but not limited to, risks to corporate operations, provision of goods and services, supply chains, employee health and safety, capital and financial investments, institutional investments, financial standing of loan recipients and borrowers, shareholder value, consumer demand, and financial markets and economic health[;]”

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Reporting Location	“Emissions reporting organization” contracted by California and publicly available	<ul style="list-style-type: none"> File report with the California Air Resources Board, and Make publicly available on the company’s website 	Company’s annual Form 10-K filed with the SEC
Timeline For Reporting	<ul style="list-style-type: none"> Scope 1 and Scope 2 disclosures: 2026 (state board to determine exact date) and annually thereafter Scope 3 disclosures: 2027, and annually thereafter and within 180 days after the Scope 1 and 2 disclosures 	No later than January 1, 2026, and every two years thereafter	<p>If finalized as expected this year, filings will be phased:</p> <ul style="list-style-type: none"> 2024 for large accelerated filers, except Scope 3 disclosures 2025 and 2026, respectively – regular filers <p>See our legal update here for further details</p>
Assurances Required	<ul style="list-style-type: none"> Scope 1 & 2: Limited assurances through 2029 and reasonable assurances starting in 2030 State board to establish assurance level for Scope 3 disclosures by January 1, 2027 	Not applicable	<p>Attestation by independent parties with limited assurances building to reasonable assurances for large accelerated filers and accelerated filers</p> <p>For a detailed chart of assurance requirements, See our legal update here for further details</p>
Penalties For Non-Compliance	<ul style="list-style-type: none"> Maximum of \$500,000 in a reporting year determined by California Air Resources Board after an administrative hearing Through 2030, no penalties for Scope 3 disclosures; thereafter, penalties apply for disclosures not made in good faith 	Maximum of \$50,000 in a reporting year, determined by California Air Resources Board after an administrative hearing	No specifically identified penalties for noncompliance as currently proposed