



THOUGHT LEADERSHIP

# CA SB-219 is Signed – GHG and Climate Risk Reporting in 2026

## What the Signed Legislation Means for Your Organization

By Third Economy Staff, October 2024

California's [SB 219](#) has been [signed into law](#) by Governor Gavin Newsom – mandating climate disclosures for select public and private entities beginning at the start of 2026.

Despite some administrative delays across the summer, **California's new law introduces Scope 1, 2 and 3 emissions reporting** obligations for companies that do business in the state – the first law of its kind to be implemented for U.S. companies.

## Here's What You Need to Know

- **SB 219** (encompassing amendments to SB 253 and SB 261, passed in October 2023) covers Scope 1, 2 and 3 emissions reporting (regardless of materiality) in addition to other climate-related risk disclosures for companies that do business in California.
  - **SEC. 1.** (*Section 38532 of the Health and Safety Code*) reflects amendments to SB 253 and applies to **companies with revenues greater than \$1 billion** who do business in California.
    - Companies will need to disclose Scope 1 and 2 emissions in 2026 (using 2025 data)
    - Companies will need to disclose Scope 3 emissions in 2027 (using 2026 data)
  - **SEC. 2.** (*Section 38533 of the Health and Safety Code*) reflects amendments to SB 261 and applies to **companies with revenues greater than \$500 million** that do business in California.
    - Companies will need to prepare a climate-related financial risk report on or before January 1, 2026, and annually thereafter, disclosing climate-related financial risks in accordance with TCFD recommendations and measures taken to mitigate or adapt to disclosed risks.

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- Additional Details:
  - The signed legislation gives the California Air Resources Board (CARB) an additional 6 months to adopt regulations to implement SB 219, until July 1, 2025.
  - Reporting can now be consolidated at the parent company level (vs. individual reports for subsidiaries).
  - Businesses are no longer required to pay fees for filing their disclosures.

## Why Does This Matter?

This ruling now affects close to 5000 U.S. businesses and thousands more within the value chain (not to mention companies doing business in NY, WA and IL, where more reporting legislation is on the docket). If your company has not already done so, understanding how to comply with these new regulations and putting a data management plan in place is important to do as soon as possible.

We're here to help. Please reach out to discuss your specific situation and how we can support you complying with these new reporting requirements.



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