

California Climate Accountability Package

Transcript

California is setting a major precedent for climate disclosure in the US with the Climate Accountability Package — two laws that will mandate climate disclosure for thousands of public and private companies.

At MSCI, we help companies and investors understand and disclose to regulatory frameworks.

Here are five things you need to know about the new California requirements and how MSCI can help you prepare.

California's Climate Accountability Package introduces the nation's first mandatory climate disclosure rules.

It consists of two bills: Senate Bill 253, the Climate Corporate Accountability Act, and Senate Bill 261, the Climate-Related Financial Risk Act.

Both bills cover companies doing business in California, with Senate Bill 253 applying to companies with over a billion in annual revenue and Senate Bill 261 applying to companies with over 500 million in annual revenue.

As California is now the fourth largest economy globally, this will impact thousands of companies both public and private.

Senate Bill 253 mandates disclosure of Scope 1, 2, and 3 emissions, while Senate Bill 261 requires climate-related financial risk disclosures aligned with TCFD or ISSB frameworks.

Aligning to these standards means companies will disclose how climate change could affect their business — from transition risk to physical risk.

This includes using scenario analysis to test resilience under different climate futures.

For SB 253, companies will be required to report Scope 1 and 2 emissions in 2026.

Scope 3 emissions will be required reporting in 2027.

For SB 261, climate risk reports will be due January 1, 2026.

After that, companies must update and submit their reports every two years.

At MSCI, we provide the tools and data that organizations need to prepare — from carbon footprinting to more comprehensive climate risk assessments — all aligned with TCFD and ISSB reporting standards.

Our solutions help companies measure emissions, assess financial risk, understand how these risks could change over time and under different climate scenarios, and comply with emerging regulations in California and beyond.

Contact Us

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