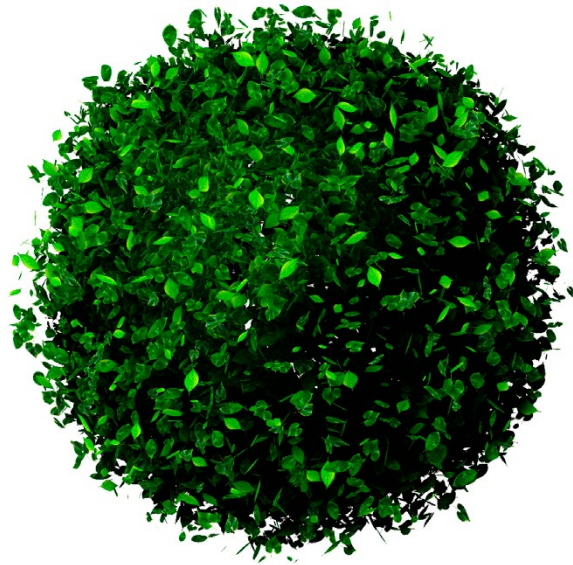




iGAAP in Focus

Sustainability reporting

California Climate Legislation—Reporting deadlines remain unchanged under new senate bill

Contents

Background

Key changes under SB-219

Further information

This *iGAAP in Focus* outlines the California state senate bill [SB-219 Greenhouse gases: climate corporate accountability: climate-related financial risk](#), which amends portions of Sections 38532 and 38533 of the California Health and Safety Code that were established upon the passage of California state senate bills [SB-253 Climate Corporate Data Accountability Act](#) and [SB-261 Greenhouse gases: climate-related financial risk](#).

Background

On 27 September 2024, California Governor Gavin Newsom signed into law California state senate bill SB-219, which amends portions of Sections 38532 and 38533 of the California Health and Safety Code that were established upon the passage of California state senate bills SB-253 and SB-261. SB-253 and SB-261 require certain public and private US entities that perform certain business activities in California to disclose their greenhouse gas (GHG) emissions and climate-related financial risks, respectively. Our [iGAAP in Focus](#) from December 2023 gives more information on these bills.

SB-219 does not delay the reporting deadlines under SB-253 or SB-261. Accordingly:

- entities within the scope of SB-261 must prepare and make available on their public websites a climate-related financial risk report by 1 January 2026
- entities within the scope of SB-253 must publicly disclose and obtain limited assurance over their Scope 1 and Scope 2 GHG emissions starting in 2026, on or by a date to be determined by the California Air Resource Board (CARB), for the prior fiscal year.

For more information please
see the following websites:

www.iasplus.com
www.deloitte.com

Key Changes Under SB-219

SB-219 amends the following Section 38532 provisions:

Original SB-253 Requirements	Key SB-219 Amendments
Does not indicate whether reporting entities within its scope may provide emission disclosures at the consolidated-parent-company level.	Authorises reporting entities to consolidate emission disclosures at the parent-level. Under SB-219, a subsidiary of a parent entity that qualifies as a reporting entity is not required to prepare separate disclosures if they are included in a parent-level emissions report.
Requires CARB to develop and adopt regulations for the reporting of GHG emissions by 1 January 2025.	Delays to 1 July 2025 the deadline for CARB to develop and adopt regulations for the reporting of GHG emissions.
Requires reporting entities under SB-253 to publicly disclose their Scope 3 GHG emissions starting in 2027 (for the prior fiscal year) no later than 180 days after they disclose their Scope 1 and 2 GHG emissions publicly.	Requires entities to disclose their Scope 3 GHG emissions on a schedule specified by CARB. Gives CARB the discretion to establish a schedule for an entity's submission of Scope 3 emission disclosures in 2027.

SB-219 should help reduce the financial burden of complying with SB-253 by allowing:

- entities to provide a consolidated parent-level emission disclosure report
- CARB to establish a schedule for Scope 3 GHG emission reporting.

Permitting consolidated parent-level emission disclosures aligns with the provisions in SB-261 under which a consolidated parent-level climate-related financial risk report may be used to satisfy reporting requirements.

Observation

Legal challenges to SB-253 and SB-261 are ongoing. The plaintiffs in *Chamber of Commerce of the United States of America v. California Air Resource Board* (filed in January 2024) assert that SB-253 and SB-261 “unlawfully attempt to regulate speech related to climate change” and that the bills violate the First Amendment as well as other federal laws. They are asking the US District Court for the Central District of California to declare SB-253 and SB-261 null and void, with no force or effect. However, SB-253 and SB-261 will remain in effect pending the resolution of such legal challenges.

Further information

If you have any questions about the California Climate Legislation, please speak to your usual Deloitte contact or get in touch with a contact identified in this *iGAAP in Focus*.

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosures literature. [iGAAP on DART](#) allows access to the full IFRS Standards, linking to and from:

- Deloitte's authoritative, up-to-date, iGAAP manuals which provide guidance for reporting under IFRS Standards
- illustrative financial statements for entities reporting under IFRS Accounting Standards.

In addition, our [sustainability reporting](#) volumes of iGAAP provide guidance on disclosure requirements and recommendations which businesses must consider in light of the broader environmental, social and governance matters which can significantly drive the value of an entity.

To apply for a subscription to iGAAP on DART, click [here](#) to start the application process and select the iGAAP package.

For more information about iGAAP on DART, including pricing of the subscription packages, click [here](#).

Key contacts

Global IFRS and Corporate Reporting Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

IFRS Centres of Excellence

Americas		
<i>Argentina</i>	Fernando Lattuca	arifrscoe@deloitte.com
<i>Canada</i>	Karen Higgins	ifrsca@deloitte.ca
<i>Mexico</i>	Kevin Nishimura	mx_ifrs_coe@deloittemx.com
<i>United States</i>	Magnus Orrell Ignacio Perez	iasplus-us@deloitte.com iasplus-us@deloitte.com
Asia-Pacific		
<i>Australia</i>	Anna Crawford	ifrs@deloitte.com.au
<i>China</i>	Mateusz Lasik	ifrs@deloitte.com.cn
<i>Japan</i>	Kazuaki Furuuchi	ifrs@tohatsu.co.jp
<i>Singapore</i>	Lin Leng Soh	ifrs-sg@deloitte.com
Europe-Africa		
<i>Belgium</i>	Thomas Carlier	ifrs-belgium@deloitte.com
<i>Denmark</i>	Søren Nielsen	ifrs@deloitte.dk
<i>France</i>	Irène Piquin Gable	ifrs@deloitte.fr
<i>Germany</i>	Jens Berger	ifrs@deloitte.de
<i>Italy</i>	Massimiliano Semprini	ifrs-it@deloitte.it
<i>Luxembourg</i>	Jeremy Pages	ifrs@deloitte.lu
<i>Netherlands</i>	Ralph Ter Hoeven	ifrs@deloitte.nl
<i>South Africa</i>	Nita Ranchod	ifrs@deloitte.co.za
<i>Spain</i>	José Luis Daroca	ifrs@deloitte.es
<i>Sweden</i>	Fredrik Walmeus	seifrs@deloitte.se
<i>Switzerland</i>	Nadine Kusche	ifrsdesk@deloitte.ch
<i>United Kingdom</i>	Elizabeth Chrispin	deloitteifrs@deloitte.co.uk



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s more than 450,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organisation”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2024. For information, contact Deloitte Global.

Designed by Deloitte CoRe Creative Services. RITM1901959