



# **An Update on Climate-Related Risk Disclosures in the United States**

January 24, 2024

# Presenters



Lisa Benjamin  
Associate Professor of Law,  
Lewis & Clark Law School, Moderator



Sally Fisk  
Vice President & Assistant General  
Counsel, Environmental & Sustainability  
Law, Pfizer Inc.



Elise Paeffgen  
Partner, Alston & Bird



Jake Rascoff  
Director, Ceres Accelerator for  
Sustainable Capital Markets, Ceres

# California Climate Disclosures

## California's Climate Disclosure Requirements

### Climate Corporate Data Accountability Act

- \$1B annual revenue, doing “business in California,” threshold
- Annual disclosure of Scopes 1 and 2 beginning Jan. 1, 2026; Scope 3 disclosure w/in 180 days of disclosing Scopes 1 and 2 beginning in 2027
- Assurance requirements

### Climate-Related Financial Risk Act

- \$500M annual revenue, doing “business in California,” threshold
- Biennial disclosure of climate-related financial risks, beginning Jan. 1, 2026

### Voluntary Carbon Market Disclosures Act

- Disclosures required if operating within California and making claims of net zero, carbon neutral, or “significant reductions;” additional disclosures for carbon offsets
- Beginning Jan. 1, 2024
- 2025

# California Climate Disclosures - Voluntary Carbon Market Disclosures Act

## Covered Claims

### Regarding the achievement of net zero emissions

*Not a net zero by X date goal*

### The entity, a related or affiliated entity, or “a product:

- “is carbon neutral”
- “[D]oes not add net carbon dioxide or greenhouse gases” to the climate
- “[H]as made significant reductions to its carbon dioxide or greenhouse gas emissions”

*“Significant reductions” is a broad, undefined term*

If the claim is made by an entity operating within California, in California → disclose on the entity’s website:

**“All information documenting how, if at all, a “carbon neutral,” “net zero emission,” or other similar claim was determined to be accurate or actually accomplished, and how interim progress toward that goal is being measured”**

*Ties in claims of progress towards “net zero,” “carbon neutral”  
Disclosures can include the SBTi target, methodologies used etc.*

**AND**

**“Whether there is independent third-party verification of the company data and claims listed”**

*Many companies have their data verified, but not the claims*

# California Climate Disclosures - Voluntary Carbon Market Disclosures Act

## Additional disclosures required for entities using voluntary carbon offsets:

- Entity selling the offsets
- Offset registry or program
- Project identification number
- Project name
- Offset project type
- Site location
- Protocol
- Verification

# SEC Climate Disclosure Rule

- SEC Climate Change Proposal
  - Status of SEC Rule
    - Scope 3 disclosures continue to raise questions and concerns
    - Gensler emphasized that the rule is necessary for standardization and consistency
  - Preparing for increased disclosure requirements
- ***What should companies do right now?***