



Senator Scott Wiener, 11th Senate District

Senate Bill 260 – Climate Corporate Accountability Act

SUMMARY

Senate Bill 260, the Climate Corporate Accountability Act, would require all US-based corporations with annual gross revenues of \$1 billion USD or greater that do business in California to publicly disclose their greenhouse gas (GHG) emissions inventory in a manner easily understandable and accessible to the people of California. Once reported, all covered corporations must establish a science-based emissions reduction target to be used as a guiding marker of progress. These corporate disclosures and the targets being set would be submitted to the California Air Resources Board (CARB), and posted online for public viewing. To ensure accurate and truthful reporting of a corporation's complete carbon footprint, as well as ensure proper targets are being set, companies would be required to use an approved third party auditor to conduct the inventory pursuant to industry best practice carbon accounting protocols, as well as determining their emissions reduction targets.

BACKGROUND

California has been at the forefront of climate policy in recent decades, establishing a successful cap and trade program, committing to preserve 30% of California's lands in their natural state, and setting and achieving ambitious emission reduction targets. These reductions were partially met, and continue to be bolstered by the emission reporting requirements as laid out in the California Global Warming Solutions Act. These requirements, however, only apply to electricity generators, industrial facilities, fuel suppliers, and other major emitters, missing many sources of corporate pollution. Without the same requirements for these corporate entities, California is left without the proper information needed to regulate, and eventually decreases these

emissions. The first step needed in reigning in the corporate carbon emissions is expanding reporting requirements beyond what California currently has in place.

PROBLEM

Carbon emissions are not being reduced at the scale and pace required to avoid the worst impacts of climate change in California and across the globe.

To properly address this, policymakers and citizens need a clear, accurate representation of real-time emission data. However, many of the largest corporations doing business in California are not subject to carbon reporting laws and those that currently report their emissions often do not report their full carbon footprint. Rather, a subset of their activities and subsequent emissions are reported, leaving out crucial aspects of their supply chain and operations. The result is a continuing lack of transparency from corporate polluters, and an inability to properly regulate them due to a lack of accurate information.

The people and communities of California have a right to know about the sources of carbon pollution by domestic corporations, in order to make informed decisions about the impact of their choices when purchasing, patronizing and making investments in these corporations.

SOLUTION

SB 260, the Climate Corporate Accountability Act, would provide a first in the nation, comprehensive, public notice requirement of the emissions of CO₂ equivalents (CO₂E) of corporations with revenue over \$1 billion, and would enhance California's position as a global leader in carbon accountability and reporting. Companies subject to the Act would be responsible for annually reporting a complete

CO2E emissions inventory encompassing three scopes: first, their direct emissions, including fuel combustions; second, their emissions from purchasing and using electricity; and third, indirect emissions stemming from a number of sources, mainly a corporation's supply chain. Once reporting has occurred, these corporations are then required to set an emissions reduction target as a goal post for future reporting.

The CARB would have one year to promulgate regulations and would convene a panel of subject experts and diverse stakeholders to advise the agency on how reporting should be structured, and targets should be set. Upon adoption, corporations subject to the Act would have one year to comply with the regulations to report, and until 2025 to begin setting their emissions reduction targets.

Public access to this critical corporate climate pollution data would enable informed decision making when purchasing from and patronizing these companies. Data disclosure will also create market-based incentives that encourage innovative approaches to carbon reduction.

Detailed CO2 climate emissions data would provide actionable information for addressing ozone, particulate, and carcinogenic air pollution - especially in already impacted communities. Transparent emissions reports would enable communities and regulators to more effectively target and reduce polluters that currently may be either under-reporting or not reporting at all.

SUPPORT

Carbon Accountable (Sponsor)

California League of Conservation Voters (Sponsor)

Sunrise Movement, Bay Area Chapter (Sponsor)

FOR MORE INFORMATION

Tate Hanna, Legislative Aide

Email: tate.hanna@sen.ca.gov

Phone: (916) 651-4011