Proskauer

Primarily Non-Financial Corporate Reporting: Climate Change

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Version 2.0 following publication of the U.S. Securities and Exchange Commission ("SEC") Climate-Related Disclosure Rules

A wave of new legislation and regulation in the U.S. and Europe has the potential to significantly impact the non-financial reporting obligations of U.S. companies. With the myriad of requirements overlaid with varying timelines, it can be challenging to understand what is required and when, particularly for international groups. These obligations are likely to require substantial resources to meet the reporting requirements, as applicable.

- the U.S. Securities and Exchange Commission ("SEC") Climate-Related Disclosure Rules, which require extensive climate-related disclosures;
- the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261), which are known as the Climate Accountability Package (together, the "California Rules"). The California Rules are the first U.S. state legislation requiring the disclosure of greenhouse gas ("GHG") emissions and climate-related financial risks; and
- the European Union's ("EU") Corporate Sustainability Reporting Directive ("CSRD"), including its extra-territorial reach to U.S. companies, as part of the "EU's Green Deal" – a suite of legislation and regulation to support a reorientation of capital toward sustainability initiatives to achieve net zero by 2050. The CSRD imposes broad reporting requirements from both a climate and social perspective.

We also include practical guidance on where to start with navigating the scoping, timing and content required to achieve compliance under these regimes.

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