

ARTICLE ON MANDATORY ESG REPORTING BY ATTORNEY TYLER M. ALEXANDER PUBLISHED IN ORANGE COUNTY LAWYER

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An article on California's new mandatory environmental, social and governance (ESG) reporting requirements, written by Bick Law LLP attorney Tyler M. Alexander, was recently published in the [April 2026 edition of Orange County Lawyer](#). We congratulate Tyler on his publication. The article provides an overview of California's recently enacted ESG laws and the ongoing litigation surrounding them, as well as important insights for companies seeking to make sense of their reporting obligations in 2026 and beyond.

California's New ESG Disclosure Laws: SB 253, SB 261 and AB 1305

Governor Newsom signed three new ESG disclosure laws in late 2023: SB 253, SB 261 and AB 1305. While all of these laws establish new reporting obligations for covered entities, they vary widely in scope, and companies may need to comply with one, two, or all three of these laws depending on the nature of their operations. Here is a very brief introduction to when each law applies and what it requires (the article in [Orange County Lawyer](#) discusses all three laws in greater detail):

- **SB 253 (Climate Corporate Data Accountability Act)** – SB 253 requires companies with more than \$1 billion in annual revenue that “do business in California” to annually report their [Scope 1](#), [Scope 2](#) and [Scope 3](#) greenhouse gas emissions to the California Air Resources Board (CARB). Reporting companies must also obtain independent third-party assurance when reporting their greenhouse gas emissions to CARB. Non-compliance carries penalties of up to \$500,000 per reporting year.
- **SB 261 (Climate-Related Financial Risk Act)** – SB 261 requires companies with more than \$500 million in annual revenue that “do business in California” to prepare bi-annual reports disclosing financial risks related to climate change and publish these reports on their websites. The initial compliance deadline was January 1, 2026, and CARB can impose penalties of up to \$50,000 per reporting year for non-compliance.
- **AB 1305 (Voluntary Carbon Market Disclosures)** – AB 1305 requires companies operating in California that make claims of “zero emissions” or “carbon neutral[ity]” to publish supporting information on their websites. It also requires companies that market or sell carbon offset projects to publish various pieces of information on their websites, including “[d]etails regarding accountability measures if a project is not completed or does not meet the projected emissions reductions or removal benefits.” AB 1305 has been in effect since January 1, 2024, and non-compliance carries a daily penalty of \$2,500, subject to a maximum penalty of \$500,000.

As Tyler discusses in his article, SB 253 and SB 261 are both subject to pending litigation, and California's legislature is expected to amend AB 1305 to provide additional clarity regarding both its scope and covered entities' disclosure obligations. For now, companies must ensure that they are making informed decisions about compliance based on what these laws currently require, while at the same time monitoring for potential changes going forward.

Contact the California Environmental Lawyers at Bick Law LLP

If you have questions about your company's obligations under SB 253, SB 261 or AB 1305 in 2026, we invite you to get in touch. Give us a call or send us an email to arrange a confidential initial consultation.