



TCB Digest for Executives: Texas and California law tussles; Australian climate reporting made mandatory

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Welcome to the 26th edition of our Digest for Executives – a summary of key climate-related events, publications, and insights for cross-functional corporate leaders.

The Climate Board is seeking anonymous input via a brief 3-5 minute survey on companies' experience with completing double materiality assessments, as mandated by the CSRD. We will be collecting responses until October 4th – [click here to take the survey](#).

We've repeatedly examined the "ESG backlash" in previous editions; recently, there have been cases of "backlash to the backlash." Citing the First Amendment, a group is challenging a Texas law that had prompted a public-sector fund to withdraw billions from BlackRock based on the asset manager's perceived pro-ESG stance. In California, Gavin Newsom has signed some of the most far-reaching (and heavily criticized) climate legislation in the US, but the governor's attempt to delay the compliance schedule was rejected by lawmakers; initial disclosures are still due in 2026, as originally planned.

American readers will be inundated with takes on the Harris-Trump debate; we note that the Vice-President touted the oil production boom during the Biden Administration, which Bloomberg Green called ["a striking embrace of the nation's fossil-fuel output for a candidate who more often touts her green credentials and taking on Big Oil."](#)

Government & Regulatory Updates

- [California Legislature Rejects Delay to Emissions-Reporting Rules](#) (The Wall Street Journal, September 4) - Earlier this summer, Governor Gavin Newsom [proposed delaying](#) two disclosure-related laws that he signed into law almost a year ago ([SB 253](#) and [SB 261](#)). These laws will require about 75% of Fortune 1000 companies to disclose greenhouse gas emissions, including Scope 3. The laws continue to face legal challenges, and the Newsom administration attempted to push the requirements back by two years to ease the burden on firms; this was rejected by lawmakers.
- [Australian Parliament Passes Bill to Mandate Climate Reporting](#) - (ESG Today, September 9) Lawmakers in Canberra [passed a bill](#) that will compel companies to report greenhouse gas emissions in their annual reports, starting next year. The requirements will be broadly in line with the IFRS Foundation's ISSB standards. Scope

3 (value chain) reporting will be phased in a year later. A “Net Zero Economy Authority” is also being established.

Corporate & Disclosure Updates

- [Investors, Bipartisan Former Officials, Others Defend SEC Climate Risk Disclosure Rule](#) (Environmental Defense Fund, August 22) - The [SEC Climate Rule](#), which is currently [stayed pending court review](#), received support from amicus briefs filed by major institutional investors, former SEC officials, legal scholars, and various organizations. The briefs say this regulation will be critical for addressing disclosure shortcomings, and will serve investor interests by encouraging consistent and comparable information about climate-related financial risks.
- [Business Group Sues Texas Officials Over Law That Shields Oil Industry](#) (The New York Times, August 30) - In the latest round of back and forth between anti-ESG legislation advocates and the fossil-fuel and fund-management industries, the American Sustainable Business Council challenged a 2021 law that bars Texas state entities from doing business with investment firms that allegedly “boycott” energy companies. (The group argues such firms are in fact not boycotting oil and gas producers, but are including environmental principles in their investment strategies.) The lawsuit claims that the Texas law violates the First Amendment by restricting business dealings based on companies’ perceived political stances.

Climate & Energy Updates

- [What Happened to Predictions of a ‘Historic’ Hurricane Season?](#) (The Washington Post, September 9) - There have been fewer hurricanes than usual this year, [defying meteorologists’ forecasts](#); the US experienced [the longest stretch in more than 50 years without a late-summer cyclone](#). (That said, a NOAA forecaster pointed out that hurricane season is only about half over, and there could still be many named storms to come.) Meteorologists told the Post that climate change is contributing to the difficulty in predicting storms, but they worry that the missed forecasts could encourage climate change deniers and erode trust in the profession and public concern about extreme weather events.

More Must-Reads

- Forbes, September 2 - [Supply of High-Quality Carbon Credits Must Be a COP29 Priority](#)
- The Wall Street Journal, September 9 - [Supreme Court Is Swamped with Emergency Appeals, Led by Challenges to EPA](#)
- ESG Today, September 10 - [CEOs are Deprioritizing Sustainability as it Becomes More Important to Consumers, Corporate Buyers: Bain Study](#)

- Bloomberg, September 11 - [Harris Signals More Pragmatic Approach to Climate](#)
- Bloomberg, September 11 - [Famed oil trader bets UK carbon prices will rise, catching up with EU equivalent](#)

Upcoming Events

- [Sustainability Europe 2024](#) - September 30 to October 1, London, UK (Reuters Events)

**Thank you,
The TCB Team**