California Climate Law SB-253 What Your Business Needs to Know

SB-253: California Climate Corporate Accountability Act Requires U.S. businesses operating in California with annual revenues over \$1 billion to disclose their Scope 1, 2, and 3 emissions data.



Preparing Your Business for SB-253

- Who: U.S. public/private entities with annual revenues over \$1 billion and doing business in California.
- What: Publicly disclose and verify Scopes 1, 2, and 3 GHG emissions.
- How: Report to an emissions reporting organization that CARB will determine and/or contract with.
- **Penalties:** Up to \$500,000 per year for non-compliance.
- **Frequency:** Annually, starting in 2026 for Scopes 1 & 2 and 2027 for Scope 3.
- Assurance: Limited Assurance for Scopes 1 & 2 from 2026, Reasonable Assurance from 2030. Limited Assurance for Scope 3 from 2030.

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Criteria for doing business in California:

- 1. Engage in any transaction for the purpose of financial gain within California
- 2. Are organized or commercially domiciled in California
- 3. Your California sales, property or payroll exceed these amounts: <u>https://www.ftb.ca.gov/file/</u> <u>business/doing-business-in-california.html</u>

California Climate Law SB-261 What Your Business Needs to Know

SB-261: Climate-Related Financial Risk Act Requires entities with annual revenue over \$500 million doing business in California to publicly disclose their exposure to physical and transition climate risks and the measures they're using to address them.



Preparing Your Business for SB-261

- Who: U.S. public/private entities with annual revenues over \$500 million and doing business in California.
- What: Disclose climate-related financial risks in accordance with TCFD & measures taken to mitigate/adapt to these risks.
- **How:** Prepare and publish a publicly available report on your company's website.
- **Penalties:** Up to \$50,000 per year for non-compliance.
- **Frequency:** Biennially (every 2 years) starting in 2026.

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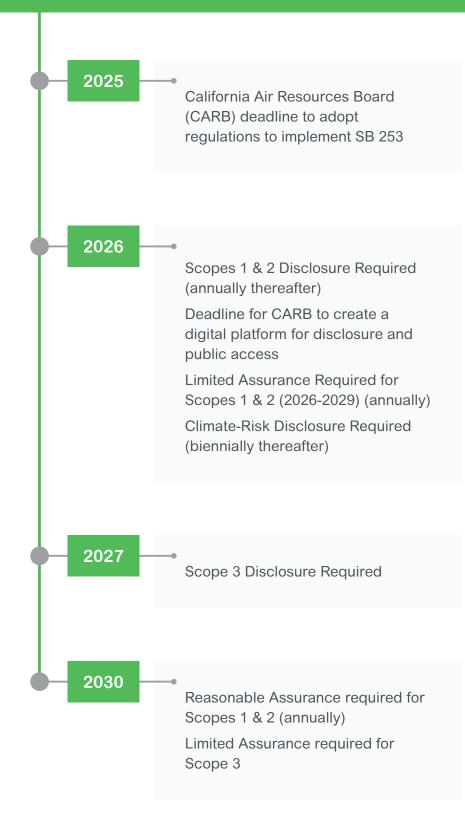
• Assurance: No

Criteria for doing business in California:

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California Climate Law SB-261 & SB-253

Key Dates





Key Dates:

2026 will be a big year

- Required Scope
 1 & 2 disclosure for
 FY25 metrics
- Required Limited Assurance of FY25 Scope 1 & 2 metrics
- Required Disclosure of Climate-Risks (in alignment with TCFD recommendations)

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