

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.

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: <https://www.ftb.ca.gov/file/business/doing-business-in-california.html>

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.
- **Assurance:** No

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: <https://www.ftb.ca.gov/file/business/doing-business-in-california.html>

California Climate Law SB-261 & SB-253

Key Dates

2025

California Air Resources Board (CARB) deadline to adopt regulations to implement SB 253

2026

Scopes 1 & 2 Disclosure Required (annually thereafter)

Deadline for CARB to create a digital platform for disclosure and public access

Limited Assurance Required for Scopes 1 & 2 (2026-2029) (annually)

Climate-Risk Disclosure Required (biennially thereafter)

2027

Scope 3 Disclosure Required

2030

Reasonable Assurance required for Scopes 1 & 2 (annually)

Limited Assurance required for Scope 3

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)