

Insights

ARE YOU AFFECTED? CALIFORNIA'S CLIMATE DISCLOSURE LAWS: REPORTING DEADLINES AND REQUIREMENTS

Oct 01, 2025

CARB Releases Preliminary Entity List and Opens Stakeholder Survey

The California Air Resources Board (CARB) has released a **preliminary list of companies** that may be subject to California's new climate disclosure laws — **Senate Bill 253 (SB 253)** and **Senate Bill 261 (SB 261)**. This marks a major milestone in the rollout of the state's climate transparency regulations.

Who's Required to Report?

- **SB 253** applies to U.S.-based companies with **annual revenues over \$1 billion** that do business in California. These companies must disclose their **Scope 1, 2, and 3 greenhouse gas (GHG) emissions** annually.
- **SB 261** targets companies with **revenues over \$500 million**, requiring them to publish **biennial climate-related financial risk reports**.

How Was the List Compiled?

CARB used publicly available databases, including the California Secretary of State's Business Entity records, to identify companies that meet the revenue and operational thresholds. This approach replaces earlier proposals that relied on Franchise Tax Board data, but still aims to capture entities with significant California operations.

Reporting Deadlines and Requirements

- **January 1, 2026**: First climate-related financial risk reports due under SB 261.
- **December 1, 2025**: CARB will launch a **public docket** where companies must post links to their reports.

Companies can choose from several recognized frameworks for their disclosures, including:

- **TCFD (Task Force on Climate-related Financial Disclosures)**

- **IFRS S2 (International Financial Reporting Standards)**
- Other government-approved standards

Next Steps for Companies

CARB is conducting a **stakeholder survey** to allow companies to confirm or contest their inclusion on the preliminary list. Businesses are strongly encouraged to review their status and begin preparing for compliance to avoid regulatory and reputational risks.

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