



SB 253 AND SB 261 CALIFORNIA CLIMATE DISCLOSURE LAWS

With the passage of California climate disclosure laws SB 253 and SB 261, thousands of companies will soon be required to report their greenhouse gas (GHG) emissions and disclose climate-related financial risks. Compliance isn't optional, and deadlines are fast approaching. Environ is here to help. Below, we answer your most pressing questions about these new regulations and how we support your journey toward climate compliance and resilience.

1. What are SB 253 and SB 261?

SB 253 (Climate Corporate Data Accountability Act) requires companies with over \$1 billion in annual revenue doing business in California to publicly disclose their Scope 1, 2, and 3 greenhouse gas emissions.

SB 261 (Climate-Related Financial Risk Act) requires companies with over \$500 million in annual revenue to disclose climate-related financial risks and mitigation strategies, aligned with frameworks like the Task Force on Climate-related Financial Disclosures (TCFD).

2. Who is affected by these laws?

Any company in the United States doing business in California and meeting the revenue thresholds mentioned above must comply, regardless of where the company is headquartered.

This includes public and private companies across industries such as healthcare, real estate, manufacturing, financial services, food processing, and agriculture.

3. What are the key compliance deadlines?

SB 253 Scope 1 & 2 emissions disclosure:
2026 (for 2025 data)

SB 253 Scope 3 emissions disclosure:
2027 (for 2026 data)

SB 261 Climate-related financial risk disclosure: January 1, 2026

4. What are the penalties for non-compliance?

Fines can be up to \$500,000 for failing to comply with SB 253 and \$50,000 for SB 261. But beyond fines, reputational, investor, and stakeholder risks make compliance even more critical.

5.

What are Scope 1, 2, and 3 emissions?

Scope 1: Direct emissions from owned or controlled sources.

Scope 2: Indirect emissions from purchased electricity or energy.

Scope 3: Indirect emissions (e.g., supply chain, business travel, product use). This is the most complex and scrutinized GHG reporting.

6.

What if we don't have a team of experts?

Many companies lack the internal capacity to meet these requirements. Environ offers support, from gap assessments to full program delivery, designed to meet you where you are in your journey, and scale with your needs.

7.

How can Environ Energy help us comply with California Climate Disclosure Laws?

GHG Emissions Accounting: Scopes 1–3 inventories, materiality assessments, tracking systems.

Climate Risk Assessment: Physical and transition risk analysis, scenario modeling, GIS-enabled risk maps.

Disclosure Gap Analysis: Readiness scorecards, governance assessments, prioritized plans.

Assurance Support: Audit-ready documentation and coordination with third-party verifiers.

Transition Planning: SBTi-aligned targets, abatement strategies, supplier engagement.

8.

Why work with Environ?

- Our team includes Chief Sustainability Officers (CSOs) and ESG leaders.
- Enjoy integrated services, rather than multiple, disconnected vendors.
- Get outputs designed for decision-makers and auditors, for simple to complex reports.
- Get predictable, fixed fee pricing with no surprise costs.

9.

When should we start preparing?

Now. Laying the groundwork, including data collection, governance structures, and climate risk frameworks takes time. Early action ensures compliance and positions your business for strategic advantage and stakeholder trust.

Ready to Act?

Environ guides you from the first steps to full disclosure and transition planning.

[GET STARTED](#)