

Complying with California's Climate Accountability Package

California's "Climate Accountability Package" includes two Senate Bills that require major companies doing business in the state to publicly disclose their direct and indirect greenhouse gas emissions (under SB 253) and also disclose climate-related financial risk information (under SB 261). As intended, this has far-reaching implications for national and global companies alike.

This infographic summarizes key requirements outlined by these bills and next steps for impacted companies.



What disclosures are covered in the bills?

SB 253 will require companies to report the amount of greenhouse gas pollution that is **directly** emitted by their operations (Scope 1), as well as **indirect** emissions from purchased energy (Scope 2), and **indirect** emissions from business-related activities like employee travel, waste disposal and purchased goods & services (Scope 3). Disclosures must be made in accordance with WRI's Greenhouse Gas Protocol.

SB 261 will require companies to publicly disclose their climate-related financial risks in accordance with the Task Force on Climate-Related Financial Disclosure (TCFD) framework which is now integrated under International Financial Reporting Standards (IFRS). The report must be submitted to CARB.

Scope 1 (direct)

- Company Facilities
- Company Vehicles

Scope 2 (indirect)

- Purchased Energy

Scope 3 (indirect)

- Purchased Goods and Services
- Processing, Use, and End-of-Life Treatment of Sold Products
- Upstream & Downstream Transportation and Distribution
- Business Travel and Employee Commuting

NF₃

CH₄

SF₆

CO₂

HFCs

N₂O

PFCs

What companies are impacted by the bills?

SB 253

Applies to public & private companies with more than \$1B in annual revenue

- ▶ Disclose GHG emissions (Scope 1 and 2 in 2026, Scope 3 in 2027)
- ▶ Establish a framework to ensure disclosures are verified by an independent third-party
- ▶ Reporting must be done annually, or face penalties up to \$500,000 per year

SB 261

Applies to major companies with at least \$500M in annual revenue

- ▶ Report must be published on the company's website
- ▶ Reporting done on or before 1/1/2026 and biennially afterward

It's estimated SB 253 will impact 5,000 companies and SB 261 will impact 10,000



What's the next step for impacted companies?

- Stay informed and engaged in the rule-making process as it unfolds in 2024
- Evaluate and determine applicability
- Implement or enhance data collection systems (Includes supplier engagement process to inform Scope 3)
- Prepare verification ready GHG emission inventory
- Engage the independent 3rd party verifier
- Leverage other mandatory and voluntary disclosure efforts where applicable

Many companies are already complying with various mandatory and voluntary GHG disclosure standards and guidelines (e.g., EPA GHGRP, CARB MRR, EU CSRD, CDP, etc.).

What makes the Climate Accountability Package more challenging is the two-punch of emissions and financial disclosures. Compliance will require coordination with third-party verifiers as well as internal cross-coordination to align on operational output and financial risk.

The Trinity team possesses extensive expertise in mandatory and voluntary ESG and climate data disclosures and can assist companies across diverse industry sectors in preparing for company-wide disclosure requirements. If you would like to discuss SB 253 and SB 261 and how to adjust your reporting strategy, please contact one of [Trinity's California offices](#) or call [800.229.6655](tel:800.229.6655).