Summary: U.S. Climate Disclosure Mandates

Updated April 21, 2025

California SB 253: **Climate Corporate Data Accountability Act**	California SB 261: **Greenhouse Gases; Climate Related Financial Risk**	California AB 1305: **Voluntary Carbon Market Disclosures**
Status: Enacted October 7, 2023 Regulations expected July 1, 2025	**Status:** Enacted October 7, 2023	**Status:** Enacted October 7, 2023
Companies effected: United States entities with annual revenue exceeding $1 billion and doing business in California	**Companies effected:** United States entities with annual revenue exceeding $500 million and doing business in California	**Companies effected:** • **Sell Side** - Business entity that is marketing or selling carbon offsets within CA • **Buy Side** – Business entity that operates in CA, purchases or uses carbon offsets sold in CA and makes decarbonization claims about the achievement of emissions reductions or net zero emissions • **Emissions Marketing Claims** – Business entity that operates in CA and makes decarbonization claims within CA about significant emissions reductions or net zero emissions
Emissions Disclosures: Detailed report of Scope 1, Scope 2 and Scope 3 corporate emissions	**Emissions Disclosures:** Not required	**Emissions Disclosures:** Not required
Other Disclosures: NA	**Other Disclosures:** Detailed report on climate related financial risks, and measures it has taken to reduce these risks	**Other Disclosures:** • **Sell Side** – Disclose following information about carbon offsets used: project information, details of accountability measure for incomplete projects, and data and calculation methods needed to reproduce emissions reduction calculations • **Buy Side** – Disclose following information about carbon offsets purchased: seller's name, registry, project ID number, project name, emissions reduction type and location, protocol used to

		estimate reductions and whether 3rd party verification exists • **Emissions Marketing Claims** – Entity making emissions reduction claims must disclose information about claim validity, interim progress and whether 3rd party verification exists
Compliance Deadlines: Beginning in 2026, only Scope 1 and 2 emissions must be reported. Beginning in 2027, Scope 3 emissions must be reported on a date specified by the California Air Resources Board (CARB)	**Compliance Deadlines:** Beginning in 2026	**Compliance Deadline:** January 1, 2025
Reporting standard: Greenhouse Gas Protocol (GHG), including Corporate Standard and Value Chain	**Reporting standard:** Task Force on Climate-related Financial Disclosures or similar, including the International Financial Reporting Standards Sustainability Disclosure Standards, as issued by the International Sustainability Standards Board	**Reporting standard:** N/A
Assurance: 2026 Limited Assurance on Scope 1 and 2 2030 Reasonable Assurance on Scope 1 and 2 and Limited Assurance on Scope 3	**Assurance:** Not required	**Assurance:** Not required
Reporting method: Digital platform run by CARB or an Emissions Reporting Organization (ERO) and accessible to the public	**Reporting method:** Submit to California Climate-Related Risk Disclosure Advisory Group and post on reporting entity public website	**Reporting method:** Post to reporting entity's public website
Reporting frequency: Annual	**Reporting frequency:** Biennial	**Reporting frequency:** Annual
Penalties: CARB may impose penalties up to $500,000 in any year for violations	**Penalties:** CARB may impose penalties up to $50,000 in any year for violations	**Penalties:** CA Attorney General may seek penalties up to $2,500 per day or $500,000 in the aggregate