





ENVIRONMENTAL, TECHNICAL AND SUSTAINABILITY SERVICES

Climate Risk Compliance: SB 261 Readiness

Starting on January 1, 2026, companies “Doing Business” in California** with >\$500 million of revenue will be required to disclose a climate-related financial risk report on a biannual basis.

WHO NEEDS TO DISCLOSE?

Companies that are:	1. Total annual revenue >\$500 million 2. “Doing business” in California	** “Doing business” in California is defined as exceeding one of the following thresholds:	
Requirements	Publicly disclose a climate-related financial risk report and share a link with the California Air Resources Board	 \$735,019	of CA sales (either the threshold amount or 25% of total sales)
Framework	Align to existing climate risk frameworks, like the ISSB standards (evolved from the TCFD framework)	 \$73,502	of CA real and tangible property (either the threshold amount or 25% of total property)
Timeline	Report by Jan. 1, 2026, and biannually thereafter	 \$73,502	of CA payroll compensation (either the threshold amount or 25% of total payroll)

A&M’S APPROACH TO SB 261 ALIGNMENT

Task	Objectives	Approach	The A&M Difference
1. Current State and Risk Identification	<i>Understand current governance practices and identify the company’s climate risk profile</i>	<ul style="list-style-type: none">• Assess current state of climate risk governance• Select climate scenarios and time horizons for scenario analysis• Identify physical and transition climate risks and opportunities that may impact future operations	A&M will get you compliance-ready – fast. Whether you need to meet baseline regulatory requirements or develop a more integrated climate strategy, A&M tailors the approach to management’s goals, delivering clear, decision-useful insights on climate risk.
2. Scenario Analysis and Risk Prioritization	<i>Prioritize key climate risks and opportunities through scenario analysis</i>	<ul style="list-style-type: none">• Conduct scenario analysis of physical and transition climate risks• Determine risk impact and likelihood for identified risks	
3. Climate Risk	<i>Meet compliance requirements for SB 261</i>	<ul style="list-style-type: none">• Prepare SB 261 disclosure, aligned with pillars of ISSB / TCFD: Governance, Strategy, Risk Management and Targets	

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