



# California's SB 253

## Compliance Checklist

December 2025

# Executive Summary

With the passage of **California's [Climate Corporate Data Accountability Act \(SB 253\)](#)**, California has established one of the biggest **greenhouse gas (GHG) disclosure regulations in the world**. SB 253 requires thousands of U.S. and global companies doing business in California to measure, verify, and publicly disclose their [Scope 1, 2, and 3](#) emissions annually.

As the rule enters its implementation phase, companies are under growing pressure to operationalize carbon accounting with the same rigour as financial reporting.

This document provides a roadmap for project managers responsible for **implementing California SB 253 compliance**. It outlines a practical high-level checklist of activities, stakeholders, and internal commitments across seven phases.

Typical implementation of SB 253 compliance can take months, depending on data readiness and industry complexity. If done right, companies can set up an efficient system for climate disclosure that meets regulatory requirements while strengthening their readiness for future climate reporting mandates.

## California's SB 253 Compliance Checklist

For most organizations, **SB 253** marks the first time internal teams must work together to deliver an auditable, investor-grade carbon disclosure.

The 2026 reporting year covers **Scope 1 and 2 disclosures due on August 10, 2026** (proposed deadline), and **Scope 3 disclosures in 2027**.

## Pre-Check

### Readiness & Project Kickoff

This step establishes the foundation for SB 253 compliance by implementing governance structures and internal controls. The focus is on defining how the company will collect, clean, and document data needed for emissions calculation.

### Timeline

2-3 weeks

### Qualifying Questions

- Is our company in scope?
- Which subsidiaries count?
- Does our company have to disclose globally, or only U.S. ops?

### Internal Commitments Needed

Exec sponsor (SVP/CFO), cross-functional working group, PMO time (0.2–0.5 FTE), Legal review time.

### Checklist

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Define entities in scope, define reporting boundary.  |
| <input type="checkbox"/> | Appoint internal stakeholders (Sustainability, Finance, Procurement, IT, Legal, Internal Audit) |

## Step 1

### Governance & Controls

This phase establishes the governance framework and internal controls to effectively manage SB 253 compliance. The objective is to align with recognized carbon accounting standards (e.g., the [GHG Protocol](#)), define materiality thresholds, and determine the organizational boundary approach.

### Timeline

2 weeks

### Qualifying Questions

- What if data is missing?
- How do we treat estimates?
- Who will collect which data and how?
- What organizational boundary approach is selected and why?

### Internal Commitments Needed

Policy sign-off by CFO/Legal, Internal hours, data owners assigned.

### Checklist

<input type="checkbox"/>	Review the carbon accounting standard (GHG Protocol),
<input type="checkbox"/>	Set materiality & data collection requirements.
<input type="checkbox"/>	Define owners and create documentation.

## Step 2

### Data Mapping & Collection (Scopes 1–3)

This phase develops a comprehensive inventory of spend and activity data across [Scopes 1, 2, and 3](#). It requires mapping internal systems, extracting data, and conducting supplier outreach for material Scope 3 categories or emission-intensive activities.

#### Timeline

6–12 weeks

#### Qualifying Questions

- Which Scope 3 categories are in scope?
- What's in Scope 1 and 2 vs Scope 3?
- How granular do invoices need to be?
- Do we need primary supplier data?

#### Internal Commitments Needed

IT data extracts, Procurement support for supplier requests, and resources for data collection.

#### Checklist

<input type="checkbox"/>	Build activity data inventory (fuels, electricity, refrigerants, travel, freight, waste, purchased goods/services, use of sold products, end-of-life, capex, etc.)
<input type="checkbox"/>	Map systems (ERP, AP, T&E, utility portals, logistics).
<input type="checkbox"/>	Supplier outreach for high-impact categories.

### Step 3

## Calculation & Methodology

This phase applies appropriate emission factors to activity data and develops defensible estimates for any data gaps. [Methodological](#) decisions, such as market- vs. location-based Scope 2 accounting, must be documented. The risk lies in applying inappropriate emission factors or failing to justify assumptions, which could compromise assurance.

### Timeline

3-5 weeks

### Qualifying Questions

- Which factors (EPA, DEFRA, eGrid, IEA) do we use and why?
- Market- vs location-based Scope 2?
- How to treat biogenic CO<sub>2</sub>?

### Internal Commitments Needed

Internal Technical person ([LCA](#)/GHG) or access to GHG platform & relevant services

### Checklist

<input type="checkbox"/>	Select emission factors; apply calculations for Scopes 1–3.
<input type="checkbox"/>	Treat gaps with defensible estimates.
<input type="checkbox"/>	Produce draft results & insights.

## Step 4

### QA, Assurance readiness

This phase validates the accuracy and completeness of the GHG inventory, establishes a documented audit trail, and prepares the evidence pack required for limited assurance. The risk is insufficient documentation of assumptions and data sources, which can result in negative assurance findings.

### Timeline

2 weeks

### Qualifying Questions

- What evidence will the assurer expect?
- What format will the assurer expect the evidence in?

### Internal Commitments Needed

Controller/Internal Audit review, formal sign-off meetings, and a locked evidence repository (read-only).

### Checklist

<input type="checkbox"/>	Review assumptions & estimates.
<input type="checkbox"/>	Documentation of the process.
<input type="checkbox"/>	Finalize evidence pack & audit trail.

## Step 5

### Disclosure Drafting & Legal Review

This phase translates technical outputs into a formal SB 253 disclosure. Drafting must address results, uncertainties, and alignment with investor relations and corporate communications.

#### Timeline

1-2 weeks

#### Qualifying Questions

- How transparent do we need to be in the report?
- Do we include forward-looking statements?

#### Internal Commitments Needed

Legal/Comms redlines, CFO sign-off, brand/IR alignment, publishing owner (Corp Sec/Comms).

#### Checklist

<input type="checkbox"/>	Draft SB-253 disclosure; prepare narratives for uncertainties & year-over-year changes.
<input type="checkbox"/>	Coordinate with IR/Comms; Legal review for liability wording.
<input type="checkbox"/>	Finalize evidence pack & audit trail.



## Step 6

### Limited Assurance

In this phase, the company engages an independent assurance provider to review its GHG disclosure. This includes responding to queries, addressing identified gaps, and obtaining a formal assurance report.

*Note: CARB has announced enforcement discretion for the 2026 reporting period, meaning unassured data is acceptable for the first year. Limited assurance becomes mandatory in 2027.*

### Timeline

6–10 (overlaps Phases 4–5)

### Qualifying Questions

- What scope(s) are assured this year?
- What is the minimum criterion?
- Can we pick anyone to be an assurer?
- What methodology/standard will the assurer verify against?

### Internal Commitments Needed

Budget for assurance, dedicated response team (PMO + data owners).

### Checklist

<input type="checkbox"/>	Select an independent assurer.
<input type="checkbox"/>	Respond to queries; remediate findings.
<input type="checkbox"/>	Obtain an assurance report.

## Step 7

### Filing, Publication & Comms

The final phase covers regulatory submission to the California Air Resources Board (CARB) and any associated public disclosure. This includes formal filing, optional website publication, and briefing senior executives.

### Timeline

2 weeks

### Qualifying Questions

- Where do we file?
- What final documents do we provide to CARB?

### Internal Commitments Needed

Web team for posting and C-suite/executive team briefing.

### Checklist

- |                          |   |
|--------------------------|---|
| <input type="checkbox"/> | Finalize submission in the required format to CARB. |
| <input type="checkbox"/> | Publish report on the web (optional).               |



## Navigating SB 261: Climate-Related Financial Risk

For guidance on reporting climate-related financial risks and the measures adopted to adapt to them under SB 261, access this comprehensive compliance checklist from our partners at [Delphi](#).



## Ready to disclose for SB 253?

Arbor manages everything from data collection to assurance. Schedule a free 60-minute consultation with an expert. See more resources [here](#).



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[Schedule a free consultation](#)