

SB 253 Expert Tips Guide



SWEEP

Featuring former CARB Chair, Liane Randolph

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SB 253

GUIDE



Liane Randolph
Former CARB Chair

What you'll learn

- ✓ What SB 253 requires from a data and reporting standpoint
- ✓ How to approach Scope 3 in the early years
- ✓ What regulators expect to see in practice
- ✓ How SB 253, New York's CCDAA and other frameworks can be supported by a single reporting foundation



Expert insight Liane Randolph

- Chair, California Air Resources Board (2020–2025)
- Oversaw SB 253 and SB 261 implementation
- Former Commissioner, California Public Utilities Commission
- Career spanning energy, utilities, and environmental policy

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Introduction

California's SB 253 is one of the most significant new climate disclosure laws in the U.S. or many companies, it's the first time they'll need to put in place the systems, data, and processes needed to support emissions reporting over time.

At the same time, companies need to navigate overlapping regulations, tight timelines, and uncertainty:

- What exactly needs to be reported?
- How should you approach Scope 3 when the data isn't perfect?
- And what will regulators actually expect in the early years?

This guide will answer those questions clearly and practically, with insight from Liane Randolph, who led the California Air Resources Board (CARB) from 2020 to 2025 and helped shape SB 253 and SB 261.

01 What SB 253 requires from a data and reporting standpoint

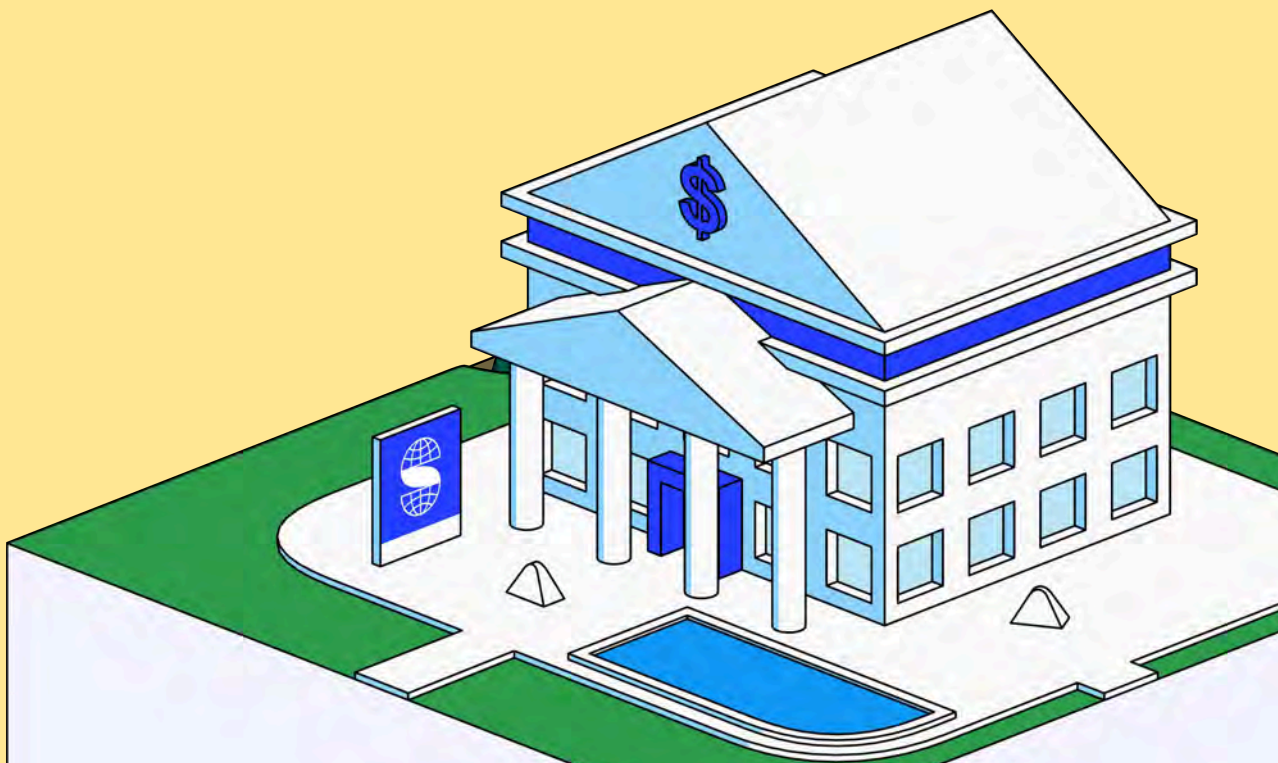
SB 253 requires companies operating in California with \$1B in revenue to **publicly disclose their greenhouse gas (GHG) emissions on an annual basis.**

As a result, they'll need to build **repeatable, audit-ready data systems** that can stand up to regulatory scrutiny over time. For many companies, SB 253 is pushing them to collect this data for the first time.



“These rules are reporting rules. They're intended to provide disclosure for investors, the public, and policymakers. They don't require reducing emissions, but they can provide valuable information for companies to help them consider how to reduce their own emissions.

The work of preparing these disclosures can really yield information that could support savings and efficiency opportunities that companies may not even know that they have.”



The basics: what you need to disclose

SB 253 requires reporting across all three scopes of emissions:

- **Scope 1:** Direct emissions from owned or controlled operations
- **Scope 2:** Indirect emissions from purchased electricity, heat, or steam
- **Scope 3:** All other indirect emissions across the value chain

Scope 3 is mandatory, and presents the largest challenge for most companies, even those that already have emissions reporting systems in place.



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Reporting expectations

From a data and reporting perspective, companies should expect:

- **Annual disclosure** of emissions data
- Reporting aligned to the **GHG Protocol** (or equivalent standard)
- **Third-party assurance requirements:**
Third-party assurance means your emissions data is independently reviewed by a qualified external auditor (similar to financial audits). The assurance provider evaluates whether your data, methodologies, and controls are accurate, complete, and compliant with the required standard.
 - Limited assurance initially (a lighter review focused on identifying major issues or inconsistencies)
 - Moving toward reasonable assurance over time (especially for Scope 1 & 2 emissions)

This means your data needs to be:

- **Complete** (covering all relevant sources)
- **Consistent** (year-over-year comparability)
- **Documented** (clear methodologies and assumptions)
- **Defensible** (able to withstand audit)

Why this matters

These requirements reflect growing regulatory and legal scrutiny around climate disclosures, meaning incomplete or inaccurate reporting can lead to enforcement actions, fines, or required restatements, as well as increased exposure to shareholder litigation.

As assurance expectations rise, weak data, inconsistent methodologies, or poor documentation are more likely to be challenged, while credible, audit-ready disclosures are becoming essential to maintaining investor trust and protecting reputation.

The real challenge: data readiness

For most organizations, data collection poses considerable challenges, including: .

- Fragmented data across systems, teams, and geographies
- Limited visibility into supplier and customer emissions
- Inconsistent methodologies across business units
- Heavy reliance on estimates in early years

What “good” looks like early on

Regulators understand that this is a journey, especially for Scope 3.

In the first few years, focus on:

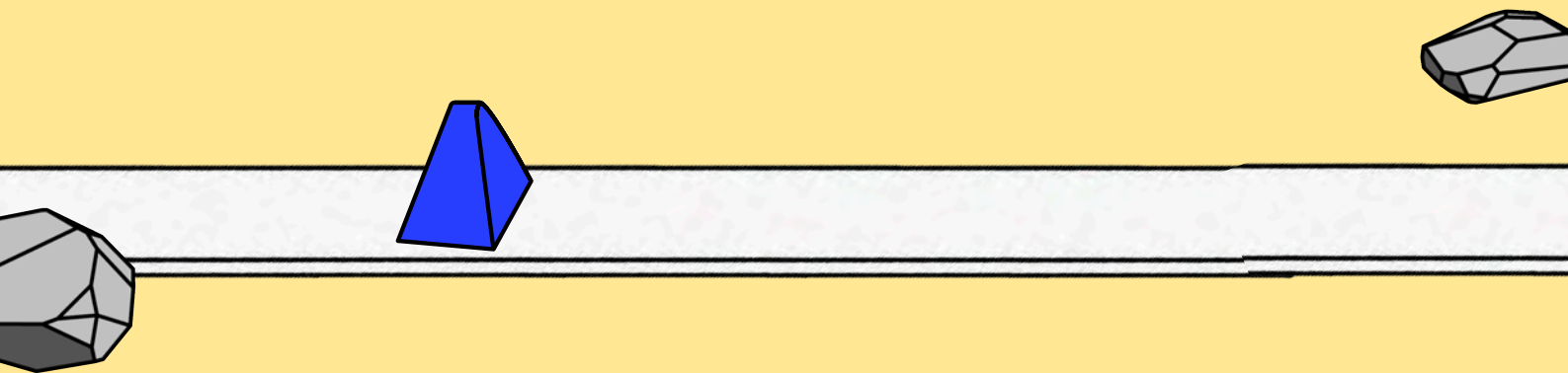
- Building a **clear, documented methodology**
- Using **reasonable estimates** where needed
- Improving **coverage over time**, rather than waiting for perfect data
- Creating an **audit trail** for how numbers were calculated



Bottom line from Liane

“In the early years, it's going to necessarily be something of an iterative process. **Think about the low hanging fruit**, like the classic example of company spend on travel.

There's a lot of data out there about emissions related to travel and energy use that you can access. The earlier you start doing this work and compile the service providers that are going to help you, the better the data is going to be, and the easier it will be to iterate as the requirements get more strict in the coming years.”



02 How to approach Scope 3 in the early years

For most companies, Scope 3 is the hardest part of SB 253. It covers emissions across your entire value chain, much of which sits outside your direct control.

Regulators don't expect perfection on day one. What they do expect is a clear, structured approach, and visible progress over time.

Start with what matters most

Scope 3 includes up to 15 categories, but not all of them will be relevant or material to your business.

In the early stages, focus on:

- Identifying your **most material categories** (e.g. purchased goods, use of sold products)
- Prioritizing areas that are **likely to drive the majority of emissions**
- Documenting why certain categories are **included or excluded**



Don't try to do everything at once

Start with a defensible boundary, then expand.

Use estimates, but be transparent

In the early years, much of your Scope 3 data will be based on **estimates and industry averages** rather than primary supplier data.

The following principles should guide estimate choices:

- Use **recognized methodologies** (e.g. spend-based, activity-based)
- Clearly document **assumptions and data sources**
- Apply methods **consistently year over year**



Transparency matters more than precision at the start

Build toward primary data over time

In the long-term, you'll need to move from estimates to **supplier-specific (primary) data**.

A practical path looks like:

- Year 1–2: Heavy use of estimates and proxies
- Year 2–4: Targeted supplier engagement (starting with high-impact categories)
- Over time: Gradual shift toward **primary, decision-useful data**

Focus efforts on where they'll have the biggest impact, rather than across the entire supplier base at once.



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Put structure around your process

Scope 3 can quickly become messy without clear governance.

Early on, it's important to:

- **Define ownership across teams (procurement, finance, sustainability)** – for example, procurement gathers supplier data, finance validates spend figures, and sustainability oversees methodology and reporting
- **Standardize calculation methodologies** – such as consistently using the same emissions factors or estimation approach across categories to ensure comparability
- **Create a repeatable data collection process** – for instance, setting up annual supplier surveys or integrating data requests into existing procurement cycles
- **Maintain a clear audit trail** – documenting data sources, assumptions, and calculation steps so results can be reviewed and verified

This is what turns a one-off exercise into something scalable.



Build structure early

Scope 3 can quickly become messy without clear governance.

Expect scrutiny, but also flexibility

Scope 3 will be a focus area for regulators and assurance providers, but they understand the challenges.

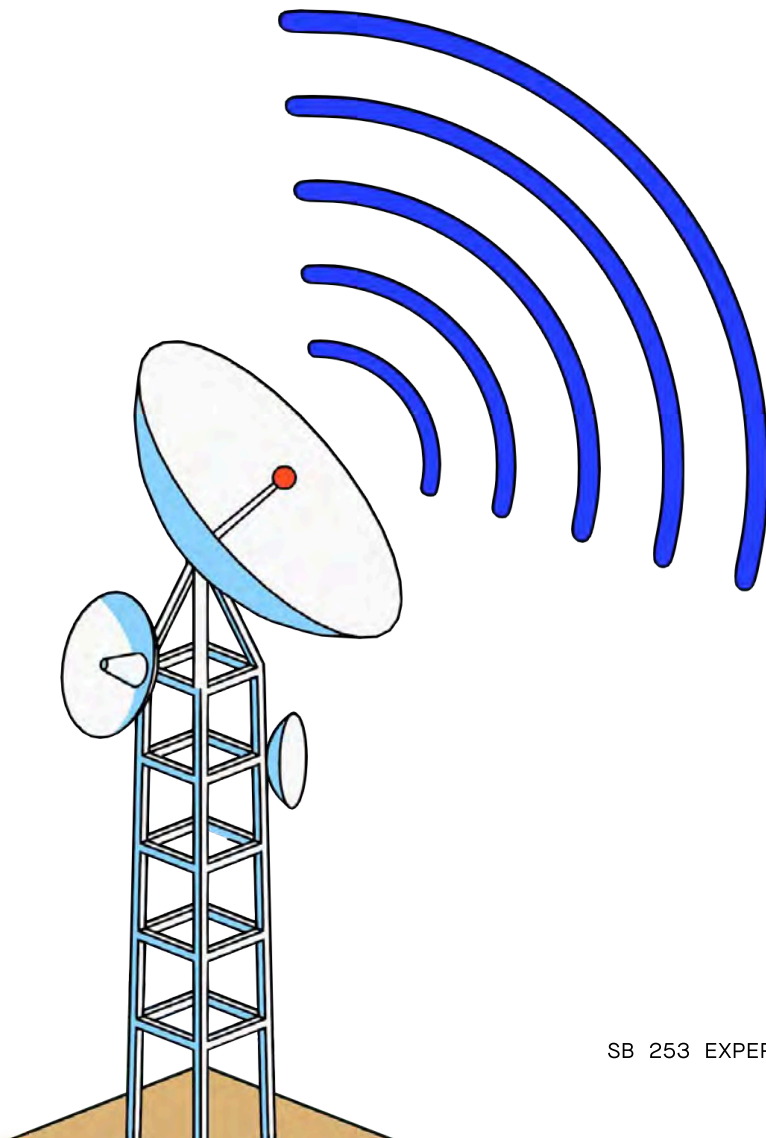
In practice, they'll be looking for:

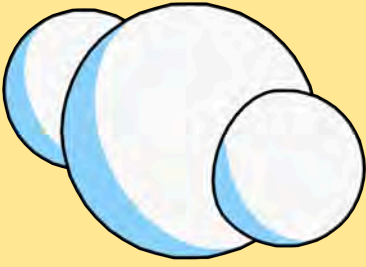
- A **reasonable and well-documented approach**
- Evidence that you've **prioritized material sources**
- A plan to **improve data quality over time**

They are less focused on whether every number is exact and more on whether your approach makes sense.



Focus efforts on where they'll have the biggest impact, rather than across the entire supplier base at once.





Bottom line from Liane

“Scope 3 reporting will begin in 2027, so recognize that these requirements are just around the corner. Start as soon as you can, if you haven't already.

Work internally to build this expertise over time. That'll make things smoother and more efficient in the coming years, and you'll be ready when enforcement discretion ends and there's an expectation of rigorous data and analysis behind your reporting.”

03 What regulators and assurance providers expect to see in practice

By the time SB 253 comes into force, most companies will have some form of emissions reporting in place. Regulators, and assurance providers looking for **data that holds up under scrutiny**, rather than disclosures alone.

In practice, this means moving from informal, spreadsheet-driven processes to something far more **structured, consistent, and auditable**.

It's not just the number, it's how you got there

Regulators will focus as much on your **process** as your final emissions figures.

They will expect to see:

- Clearly defined **methodologies** for each emissions category
- Documented **assumptions, emission factors, and data sources**
- Consistent **calculation approaches year over year**
- A clear explanation of any **changes or restatements**

If you can't explain how a number was calculated, it won't stand up.

Auditability is the new baseline

SB 253 introduces assurance requirements, which put emissions reporting much more closely aligned to financial reporting. As a result, companies need to be prepared to have **audit-ready data from the start**.

That includes:

- A clear **audit trail** from source data to final reported numbers
- Version control over **data inputs and calculations**
- Evidence of **internal controls and review processes**
- The ability to **reproduce results** if challenged



Companies need to be prepared to have **audit-ready data from the start**.

Understanding assurance expectations

SB 253 will require third-party assurance, starting with limited assurance and moving toward more rigorous standards over time.



Limited assurance (early years)

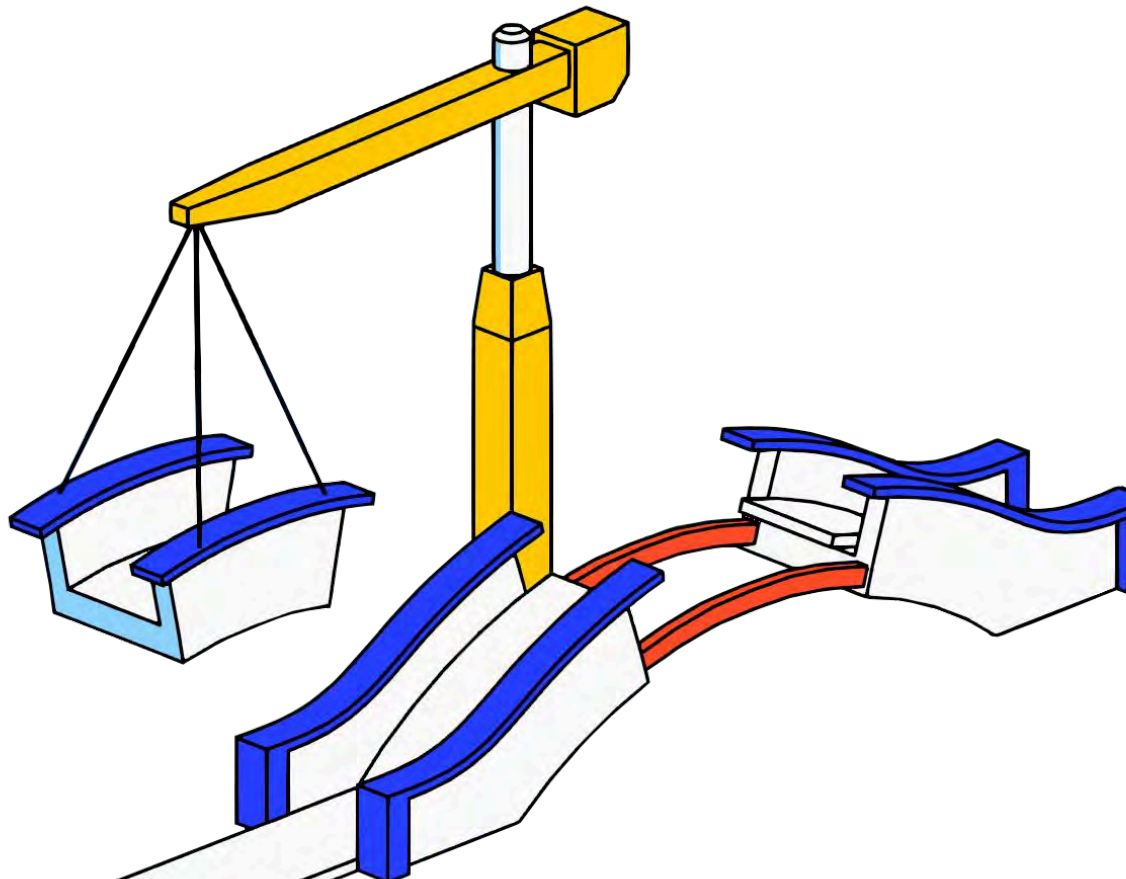
- Focuses on whether anything appears materially incorrect
- Requires credible processes and reasonable methodologies



Reasonable assurance (over time)

- Much higher bar – closer to a financial audit
- Requires stronger controls, higher-quality data, and reduced reliance on estimates (especially for Scope 1 and 2)

The key shift: Assurance shapes how you build your data processes from day one.





Bottom line from Liane

“Companies are going to really want to gather as much data as possible and work with their teams to figure out what they've already been tracking. Build as much of that as possible into the reporting template.

Work with professionals and tools that facilitate these processes, that have worked with other companies and with reporting frameworks in other jurisdictions. The more you're able to pull from things you've already done and present the data as clearly as possible, the stronger and more consistent your reporting is going to be.”

04 How to support overlapping regulations with one reporting foundation

While the SB 253 deadline is fast approaching, it isn't the only emissions reporting regulation on the horizon. Many large companies also need to prepare to comply with New York's CCDA, and potentially other international frameworks, like Europe's CSRD. Despite nuances between them, all require consistent, decision-useful emissions data, often based on the same underlying standards.

The risk is treating each regulation as a separate project, leading to duplicated effort, inconsistent data, and higher costs.

The smarter approach: build once, report many times

These frameworks all require:

- **Scope 1, 2, and 3 emissions data**
- **Clear methodologies and assumptions**
- **Increasing levels of assurance and auditability**

That means the most efficient approach is to:

- **Build a single, centralized data foundation**
- **Apply consistent calculation methodologies**
- **Layer different reporting outputs on top**

What a “single reporting foundation” looks like

Instead of disparate spreadsheets, companies can prepare with:

- A centralized **system of record** for emissions data
- Standardized **emission factors and calculation logic**
- Integrated **data collection workflows** (e.g. from finance, procurement, suppliers)
- Built-in **controls, audit trails, and documentation**



Bottom line from Liane

“There's been a lot of concern that companies will be subject to a patchwork of various reporting requirements. Policymakers around the country are looking at California and saying, **this is the starting point. This is the baseline that we're all going to be thinking about.**”

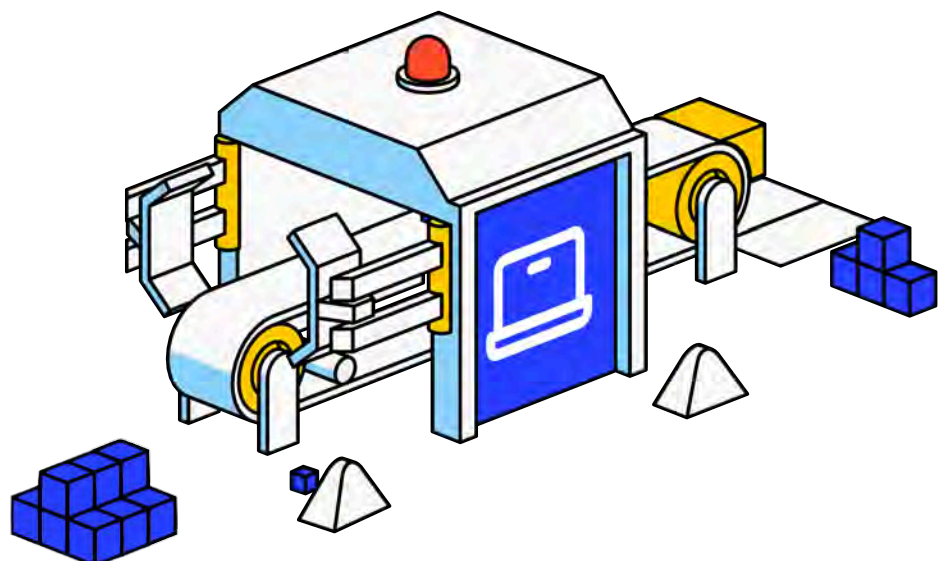
We really have an opportunity to set the standard here and to show that a robust reporting obligation can be consistent with other jurisdictions. To the extent that if you're part of a team that has thoughts about how best to do this work, you should definitely share those thoughts with CARB.”

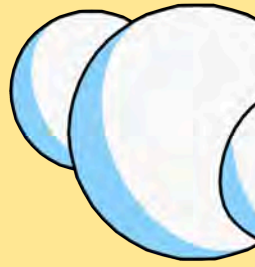
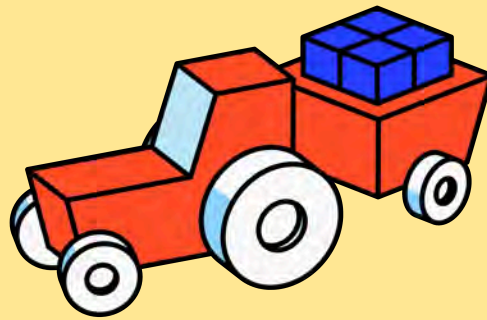
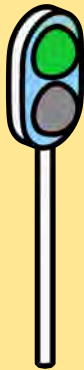
SB 253 is both a compliance requirement and a strategic opportunity

While the first deadline may feel urgent, the companies that will succeed long-term are those building structured, auditable data systems now, not scrambling for quick fixes. **Start with the data you have, focus on material emissions sources, and build transparency into your process from day one.**

Regulators understand this is iterative, especially for Scope 3, but they expect clear methodologies and visible progress. And beyond compliance, this level of visibility can surface meaningful business insights, highlighting areas of high energy use, inefficient operations, or cost-heavy suppliers, giving companies opportunities to reduce spend, strengthen supplier strategies, and improve resilience.

As more states follow California's lead, **investing in a single reporting foundation will save time, reduce costs, and turn disclosure from a burden into a competitive advantage.**





“I think it's important to remind companies that they can help shape this work.

If companies participate in the regulatory process, if they share their comments and thoughts, that can help make a better process, and that input is taken very, very seriously by staff as they develop the proposals and by the board as they consider adoption of final rules.”

SB 253 compliance. On time. Under control.

Meet the August 10, 2026 deadline with a fast, structured path to compliance. Sweep gets you up and running quickly and simplifies data collection.



Fast-track implementation

Go live in a matter of weeks



Guided setup

Use pre-built templates, clear milestones, and a simple implementation framework



Expert-led implementation

We handle the setup, your team provides the data

Sweep's approach

Build once. Report everywhere.

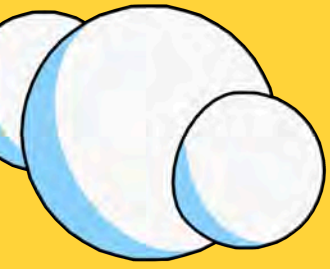
Sweep helps companies create a single, audit-ready foundation for carbon and ESG reporting – so you can meet SB 253, CCDA, and other requirements without duplicating effort.

With Sweep, you can:

- **Centralize emissions data** across Scope 1, 2, and 3
- **Automate data collection** from internal systems and suppliers
- Apply consistent, **GHG Protocol-aligned calculations**
- Maintain a clear **audit trail** for assurance and compliance
- Generate **reports across multiple frameworks** from the same dataset

The result: less manual work, stronger data, and faster compliance

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