

— CALIFORNIA CLIMATE CORPORATE DATA ACCOUNTABILITY ACT

SB 253: What to Do Before November 10

A practical guide for companies filing their first report under California's Climate Corporate Data Accountability Act.

Nov 10, 2026

Filing deadline, both paths

Scope 1 & 2

Required this cycle

No assurance

Required for 2026

DOES IT APPLY TO YOU?

If you are not sure whether SB 253 applies to you at all, the test is **revenue above \$1 billion globally plus doing business in California.**

The California limb is broader than most people expect: it applies to companies with roughly **\$735,000 in California sales**, including sales made through agents.

START HERE

First, work out which filer you are

CARB’s guidance splits first-year filers into two situations. Which one you are in is decided by a single question, and the answer is a matter of historical fact rather than choice.

THE DECIDING QUESTION

On 5 December 2024, when CARB issued its Enforcement Notice, was your company collecting Scope 1 and Scope 2 emissions data, or planning to?

Path 1

ANSWER: YES

ANSWER

Yes, we had data or a plan to collect it

WHAT YOU FILE

A Scope 1 and Scope 2 emissions report

Path 2

ANSWER: NO

ANSWER

No, we had neither

WHAT YOU FILE

A statement of non-reporting, on company letterhead

Two things to understand.

Path 2 is not an opt-out.

It is available only to companies that genuinely were not collecting and not planning to collect as of that date. If you had a CDP submission, an ESG report with emissions in it, a consultant engaged, or an internal project underway, you are on Path 1. Choosing Path 2 to avoid the work may be a misstatement in a public document.

Both paths have the same deadline.

10 November 2026. Both are filed the same way. Neither requires third-party assurance this year.

PATH 1

You have data, or had a plan to collect it

You are filing a Scope 1 and Scope 2 emissions report. CARB will accept it in any of three formats, so in most cases you do not need to build anything new.

STEP 1 Pick your format

FORMAT	USE THIS IF
An existing annual report that already includes Scope 1 and 2	You publish a sustainability or ESG report with an emissions section
Scope 1 and 2 data already reported elsewhere	You submit to CDP, or report under another programme or voluntary initiative
CARB's draft Scope 1 & 2 template Draft Scope 1 and Scope 2 GHG reporting template (.xlsx) → Memo explaining the template (.pdf) →	You have the underlying data but no published report to point at

The template is voluntary for 2026 and CARB has said strict compliance with it is not required. It is still worth opening, because it shows the structure CARB is building toward.

STEP 2 Confirm the reporting period

Your report covers the **preceding fiscal year**, not the calendar year, unless those are the same for you. If your year-end is in January or June, confirm which year applies before you assemble anything.

STEP 3 Assemble the numbers

At minimum: total Scope 1 and total Scope 2 for the period, in metric tonnes of CO₂e.

Most of the source data is in finance rather than sustainability. Look for:

- ◆ Natural gas and other stationary fuel bills
- ◆ Fleet fuel cards and vehicle records
- ◆ Refrigerant purchase and service records
- ◆ Electricity, steam, heating and cooling invoices
- ◆ Any process emissions specific to your operations. Process emissions occur when chemical processes create any of the named GHGs.

STEP 4 Record your methodology as you go

CARB encourages, but does not require, additional detail this year. We recommend capturing it anyway, because these become part of the required audit for the report due in 2027.

☐	Emission factor sources, and the year of each
☐	Global Warming Potential source
☐	Organizational boundary approach: equity share, financial control or operational control
☐	Which entities and facilities are inside that boundary, and which are excluded
☐	Calculation approach used, for example activity data multiplied by emission factor
☐	Any sources excluded as immaterial, and roughly how much they represent

For Scope 2 emission factors, CARB names the latest official eGRID release (eGRID 2023) and the eGRID 2024 dataset from the Cornerstone Sustainability Data Initiative, and will accept other credible sources. Whichever you use, name it and name the year.

STEP 5 Handle the assurance question deliberately

Limited assurance is **not required** for the 2026 cycle. CARB will accept your submission with or without it.

If you use CARB’s template, note that it asks you to confirm Yes or No whether Scope 1 and Scope 2 were assured at the limited assurance level, and to explain in free text if not. A short, factual explanation is a perfectly good answer. Decide what it says before you are filling the box at speed, and remember it will be published.

STEP 6 File it

Submit through CARB’s voluntary 2026 report intake platform, on CARB’s Climate Disclosure webpage, or by email to **climatedisclosure@arb.ca.gov**. Either route is acceptable. Do it before 10 November 2026.

PATH 2

You had no data and no plan to collect it

CARB asks you to file a **statement of non-reporting, on company letterhead**.

STEP 1 Confirm you actually belong on this path

THE DECIDING QUESTION

On 5 December 2024, when CARB issued its Enforcement Notice, was your company collecting Scope 1 and Scope 2 emissions data, or planning to?

Not collecting **and** not planning to collect, as at 5 December 2024. Check with whoever would know: whoever owns your ESG reporting, your CDP response if you have one, your procurement team if a customer has ever asked for emissions data. If any of those turns up data or a plan, you may be on Path 1 and you have three weeks.

STEP 2 Write the statement

Keep it short, one page is ample. Be sure to cover:

- ☐ Your legal entity name and EIN
- ☐ A statement that the entity is or may be subject to SB 253 reporting
- ☐ A plain statement that as at 5 December 2024 the entity was neither collecting nor planning to collect Scope 1 and Scope 2 data
- ☐ A brief, factual explanation of why, for example that no GHG inventory programme existed
- ☐ What you intend to do for the next cycle
- ☐ A named contact with title, email and phone
- ☐ Signature of an officer, and the date

STEP 3 Say what you will do next, and mean it

This is the part most statements get wrong by leaving out. CARB’s enforcement discretion is explicitly transitional, and the 2027 cycle brings Scope 3 and mandatory limited assurance. A statement that

explains the gap and commits to a specific next step reads very differently from one that simply reports an absence. One or two sentences is enough.

STEP 4 Keep your records

CARB's discretion for first-year reporting rests on good-faith effort and on the entity retaining relevant data. Whatever you did look at in reaching this position, keep record of it, and where you found it (person, database, etc).

× DON'T

- ◆ **Stay silent.** Filing nothing is worse than filing a statement, and the deadline applies either way.
- ◆ **Estimate a number to look prepared.** A figure you cannot support becomes a public statement you may have to correct next year, with assurance arriving in 2027.
- ◆ **Treat this as settled.** Path 2 is available once. It is not available for the 2027 cycle.

STEP 5 File it

Same routes, same deadline. CARB's intake platform or climatedisclosure@arb.ca.gov, before 10 November 2026.

PATHS 1 & 2

What both paths must do

Lodge your fee contact details

\$3,106 CARB's proposed annual fee
per reporting entity

CARB's proposed annual fee is **\$3,106 per reporting entity**. Invoices go out on or before 10 December 2026 and are payable within 60 calendar days.

Use the intake platform to give CARB fee and billing contact information even if you submit your report or statement by email. A parent can request a single invoice covering its in-scope subsidiaries, though the fee is still assessed per entity.

Assume everything you file is public

Emissions reports and statements of non-reporting are both published. Write for an audience that includes your customers, your competitors, your lenders and any journalist who decides to read across a sector.

In practice that means: no number you cannot support, no claim you would not want quoted, and no explanation that reads as evasive.

Know what the deadline does and does not do

CARB has said it will exercise enforcement discretion for incomplete first-year reporting where an entity shows good-faith effort and retains the relevant data. That is real and you should rely on this safe-harbor exemption if your data is patchy.

It is not an exemption. The obligation stands, the deadline stands, and penalties are capped by statute at **\$500,000 per reporting entity per reporting year**. A good-faith incomplete filing is in a far better position than no filing at all.

Key dates

●	November 10, 2026	Scope 1 and 2 report, or statement of non-reporting, due
○	On or before December 10, 2026	CARB issues fee invoices
○	Within 60 days of invoice	Fee payable
○	2027	Scope 3 begins; limited assurance becomes mandatory, covering the 2026 reporting year

FROM THE VERIFIER'S SIDE

Five mistakes worth avoiding

01 **Assuming you are out of scope on geography.**

The California test catches companies with roughly \$735,000 in California sales, including through agents and independent contractors. Headquarters location is not the test. Document your conclusion either way, because the reasoning is what you will need if anyone asks.

02 **Relying on CARB's preliminary list.**

The list published in September 2025 was built from Secretary of State filings through March 2022, matched by partial company name, and does not reflect exemptions. Being on it is not a determination that you are covered. Being absent from it is not a determination that you are not.

03 **Reporting the wrong fiscal year.**

The report covers your preceding fiscal year. Companies with non-calendar year-ends get this wrong more often than any other single item.

04 **Not writing down your emission factors.**

Which factor set, which year, which GWP source. It takes minutes now. Reconstructing it in 2027, for an assurance provider, when the person who built the spreadsheet has left, takes days and costs real money.

05 **Treating enforcement discretion as a reason to wait.**

It is transitional by design, it applies to incomplete reporting rather than to non-filing, and 2027 brings mandatory assurance and Scope 3. Companies planning around CARB's forbearance continuing are planning around something CARB has said will not continue.

AFTER YOU FILE

What 2027 brings

The November 2026 filing is the easy year. Three things change in 2027, and each is harder than anything required now.

Scope 3 begins.

CARB's proposal names five categories: purchased goods and services (1), fuel and energy-related activities (3), waste generated in operations (5), business travel (6) and employee commuting (7). For most consumer, retail, food and services businesses, category 1 alone will be the majority of the footprint.

Limited assurance becomes mandatory,

over Scope 1 and Scope 2, covering the 2026 reporting year. CARB has signalled a broad menu of acceptable standards, so providers will be available. You will need one.

The primary data percentage must be disclosed.

For each required Scope 3 category, you report the percentage of emissions calculated using primary data, meaning data from the actual supplier rather than a spend-based industry average. Most companies starting Scope 3 today are at or near zero in category 1. That figure becomes public and comparable.

We recommend doing the following:

- 1 Write down the methodology behind this year's numbers while the work is fresh. Factors, GWP source, boundary, exclusions, and who prepared and reviewed each figure.
- 2 Find out what your category 1 primary data percentage would be today. You do not have to disclose it yet. You do want to know it before it is a public number.
- 3 Work out who signs your assurance engagement, and ask them what evidence they will expect. That conversation is cheap in January and expensive in October.

Assurance cost is driven almost entirely by how much reconstruction the provider has to do. A documented inventory is a sampling exercise. A spreadsheet nobody can explain is a forensic exercise, and it is priced accordingly. The difference is decided in the months before the engagement starts.

ABOUT THIS GUIDE

Who wrote this, and why

ISO/IEC 17029:2019

ISO 14065:2020

STANDARDS COUNCIL OF CANADA

CARB ACCREDITED · LCFS

This guide was produced by Standard Carbon Inc., a verification and validation body accredited to ISO/IEC 17029:2019 and ISO 14065:2020 through the Standards Council of Canada, and accredited by the California Air Resources Board under the Low Carbon Fuel Standard.

We spend our working lives on the other side of this table, asking companies where a number came from and whether they can show us. This guide is the short version of what we have learned about which answers are easy to give and which are expensive.

We are not offering to assure your report, and we are not selling you consulting hours.

We build SCOP3™, climate accounting software designed so that the evidence behind every number is there when your own auditor asks for it. If that is useful to you later, good. If this guide is all you need, that is fine too.

If you have a question about any of the above, we are happy to answer it with no strings attached.

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DISCLAIMER

This guide is general information about a regulatory deadline. It is not legal, accounting or tax advice, and it is not a determination of whether SB 253 applies to your company. Coverage depends on facts specific to each entity. Confirm your position with your own advisers. Information current as at 15 October 2026; CARB's requirements for 2027 and later remain subject to a separate rulemaking.