



IMPLAN white paper

What You Need to Know About California's Climate Corporate Data Accountability Act: **IMPLAN's Fast Track to SB 253 Compliance**

Introduction

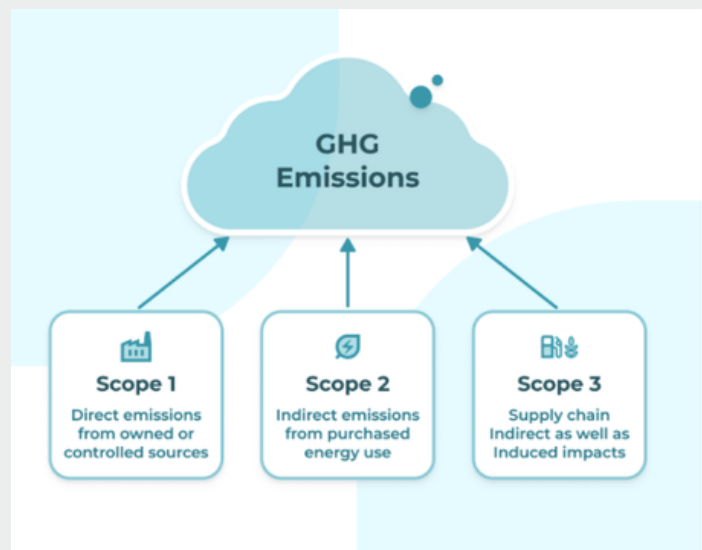
How IMPLAN's Emissions & Economic Analysis Capabilities Enable Compliance and Transparency through the Greenhouse Gas (GHG) Emissions Guide.

California's Climate Corporate Data Accountability Act (part of Health & Safety Code §§ 38532–38533) introduces sweeping requirements for large companies doing business in California to disclose their greenhouse gas (GHG) emissions (Scope 1, 2, and eventually 3), along with climate-related financial risk. For companies with over \$1 billion in annual revenue and “doing business in California,” these rules are not optional. Companies will need to collect, verify, and report emissions. Based on this reporting, they must also interpret risk and align their operations and supply chains to meet stakeholder, regulatory, investor, and public demands.

IMPLAN offers a unique platform that enables companies to do more than simply comply. It delivers quantitative emissions data (Scopes 1 to 3) integrated with economic impacts such as jobs supported, GDP, tax revenues, and regional effects, along with geographic granularity and modeling tools to simulate interventions.

With the **Greenhouse Gas (GHG) Emissions Guide**, IMPLAN offers a structured, guided workflow that helps organizations move from initial emissions estimates to audit-ready reporting, reducing time-intensive data collection and reliance on external consultants. For companies, adopting IMPLAN early provides not only compliance readiness but also a competitive advantage through better planning, risk management, and sustainability leadership.

IMPLAN aligns well with the requirements of California's Climate Corporate Data Accountability Act because it supports baselining Scope 1, 2, and 3 emissions, tailors Scope 2 and 3 emissions based on organization-specific input purchases, provides economic impact context and geographic detail, and uses transparent, trusted data sources. The GHG Emissions Guide helps companies generate consistent, defensible outputs that support audit readiness and third-party verification. It also enables companies to model scenarios and trade-offs, as well as to build credibility through verification and public disclosure.



BACKGROUND: WHAT THE LAW REQUIRES

From the California Air Resources Board (CARB) FAQ and the new statutes:

Applicability: Companies with annual revenues over \$1 billion doing business in California are covered under § 38532 (Corporate Greenhouse Gas Reporting).

Reporting timeline: Scope 1 & 2 emissions must be reported beginning August 10, 2026, covering emissions data from the prior fiscal year. Scope 3 emissions reporting becomes required in 2027, covering the prior fiscal year as well.

Verification: Limited assurance (i.e., basic third-party check) of Scope 1 & 2 emissions starts in 2026. Reasonable assurance (a higher assurance level) will be required by 2030.

Climate-related financial risk reporting (§ 38533): Separate but overlapping. Companies with over \$500 million in annual revenue doing business in California will have to prepare climate-related financial risk reports by January 1, 2026, and biennially thereafter.

Definitions & rulings pending: CARB has now approved initial definitions for key applicability questions, including “doing business” and the revenue thresholds. Some implementation details and reporting guidance are still being refined through the regulatory process, so organizations should prepare now, especially given the scale and complexity of Scope 3 data collection.



THE CHALLENGES FOR LARGE CORPORATIONS

Data collection & scope complexity

- Scope 1 is relatively straightforward, covering owned or controlled sources, though still operationally demanding.
- Scope 2 requires tracking purchased energy, utilities, and potentially power purchase agreements.
- Scope 3 is the most complex, often accounting for the majority of total emissions. It includes upstream supply chains, downstream impacts, product use, end-of-life, and transportation. Most organizations have limited visibility into supplier-level data, making comprehensive measurement time-intensive, expensive, and difficult to scale.

Verification & defensibility

Independent assurance requires credible methodologies, alignment with standards such as the GHG Protocol, and full transparency in the calculation of emissions. Organizations must be prepared to support third-party reviews with traceable, defensible data.

Timeliness & readiness

With Scope 1 and Scope 2 reporting deadlines beginning August 10, 2026, based on 2025 data, companies need to establish data pipelines, methodologies, and reporting systems now. Scope 3 reporting follows in 2027, adding additional pressure to address supply chain data challenges in advance.

Integration with risk & financial reporting

The law requires not only emissions disclosures but also reporting on climate-related financial risk, including transition risks, supply chain disruption, regulatory exposure, and physical risks. These disclosures must align with broader financial and strategic planning processes.

Stakeholder expectations & comparability

Investors, consumers, and regulators expect standardized, decision-grade data. Without consistency and alignment to recognized frameworks, reports may be difficult to compare and could face scrutiny or reputational risk.

Economic trade offs

Reducing emissions often involves upfront costs, particularly for large operations and complex supply chains. At the same time, organizations must consider the economic benefits, including operational efficiencies, access to new markets, reduced regulatory risk, and avoidance of potential penalties for non-compliance.

ENABLING ENVIRONMENTAL & ECONOMIC COMPLIANCE

IMPLAN is the leading provider of economic impact data and analytical applications, and has been redefining the field of economics for over 45 years. Created by academics for the United States Forest Service, it now serves anyone interested in understanding their economy. IMPLAN has spent decades serving the economic data needs of researchers, policymakers, decision-makers, advocates, business leaders, governments, and more. Since 2019, IMPLAN has also been empowering users with environmental data as part of its product.

IMPLAN is well-suited to help companies tackle the challenges associated with California's Climate Corporate Data Accountability Act. Here's how:

Capability	How IMPLAN Addresses a Key Law/Reporting Need	Benefit to a \$1B+ Company
Scope 1 emissions modeling	IMPLAN integrates EPA data on direct emissions by industry and can map owned or controlled sources.	Enables accurate reporting of direct emissions; provides defensible numbers for verification and audit.
Scope 2 emissions via purchased energy	Through input-output modeling and power series multipliers, IMPLAN can trace indirect emissions from purchased energy.	Helps quantify emissions from electricity; supports decisions to switch providers or invest in on-site or clean energy.
Scope 3 emissions / supply chain footprint	IMPLAN's input-output framework traces upstream (supplier) and induced economic and emission impacts. It captures upstream Scope 3 categories from retail, wholesale, and transportation margins when applicable. Research shows Scope 3 accounts for over 70% of total emissions.	Gives visibility into the influenced parts of the value chain. Supports targeted supplier engagement, procurement policies, and strategy to reduce overall footprint.
Geographic granularity	IMPLAN allows analyses by ZIP code, county, state, and national region. Regional bounds matter for SB 253 reporting.	Supports regulatory definitions of "doing business in California," helps with local strategy and community-level risk.

Economic context & impact (jobs, GDP, tax)	IMPLAN provides metrics beyond emissions, including jobs supported, output, regional economic multipliers, and more. These co-benefits or trade-offs are important for risk disclosure and strategic planning.	Helps companies make business cases for emissions reduction investments; shows stakeholders not only cost, but economic value; informs climate-related financial risk disclosures.
Transparent methodology & data sources	IMPLAN is built on 120+ public and proprietary data sources; it uses EPA data, ReCiPe, GWP conversion, and documents its aggregation approach.	Facilitates verification and auditability; supports comparability across companies; helps satisfy regulatory expectations for material, credible, and consistent reporting.
Scenario analysis, forward planning	With IMPLAN, companies can model interventions - e.g., switching suppliers, reducing energy use, changing logistics, investing in renewable energy, and see emissions + economic trade-offs.	Enables strategic decision making: you can see which decarbonization levers give the best return per dollar, or which supply chain changes yield the largest emissions reduction with minimal disruption.



STRATEGIC ADVANTAGES OF EARLY ADOPTION

Reducing exposure to regulatory risk:

By building data systems, methodologies, and supplier relationships early, companies avoid scrambling when rules become stricter or penalties apply.

Reputation, investor confidence, capital access:

ESG disclosures, credible emissions data, and risk reports build trust with investors, credit markets, and customers.

Cost savings via efficiency and operational improvements:

Emissions reduction often goes hand-in-hand with energy saving, waste reduction, and optimization.

Competitive differentiation:

Among peer companies, those with clean, detailed disclosures and strong sustainability profiles may enjoy advantages in procurement, talent recruitment, public relations, and governmental relations.

Aligning with global standards:

As many firms have obligations (or are voluntarily participating in) frameworks like GHG Protocol, TCFD, CSRD, etc., using robust modeling tools now means less duplication and greater alignment.

Environmental Data Available in IMPLAN

Let's take a look at what environmental data IMPLAN offers. Regional Environmental Data and Impact Results are available for the following categories:

- Criteria and Hazardous Air Emissions
- Commercial Non-Hazardous Waste Excluding Construction
- Commercial Non-Hazardous Waste From Construction Activities
- Commercial RCRA-Defined Hazardous Waste
- Greenhouse Gases
- Point Source Industrial Releases to Ground
- Land Use
- Mineral Extraction
- Nitrogen and Phosphorus Releases from Agriculture
- Pesticide Releases
- Water Withdrawals
- Point Source Releases to Water

PRACTICAL STEPS FOR COMPLIANCE

Gap analysis & scoping

- Determine which Scope 1, 2, and 3 categories apply.
- Map existing data sources.
- Identify missing data and collection processes.

IMPLAN's existing industry and upstream supply chain models can fill in gaps, help estimate missing categories, and give a rough numeric baseline.

Data collection & validation

- Collect energy usage, fuel combustion, supplier data, logistics, procurement, etc.
- Engage third-party verifiers.

IMPLAN's transparent methodology and data sources help validate assumptions. Its regional granularity helps select appropriate emission factors. It supports aligning numbers with EPA methodologies.

Emission & risk reporting preparation

- Produce required reports: emissions and climate-related financial risk.
- Decide on a framework (e.g., TCFD, SASB, etc.) for risk disclosure.

IMPLAN can link emissions to economic risk, simulate impacts of changes, supply metrics investors want (jobs, economic output, tax implications) alongside emissions, and help make risk exposure more quantifiable.

Scenario & strategy development

- Set targets.
- Consider supply chain changes, investment in renewable energy, decarbonization pathways, and procurement adjustments.

IMPLAN's modeling capabilities make it possible to test scenarios, compare economic cost vs emissions benefit, understand regional supply chain vulnerabilities, and forecast job/economic effects of shifts.

Reporting, verification, external communication

- Submit required reports to CARB.
- Ensure third-party assurance levels as required (limited in 2026, increasing later).
- Disclose to the public and investors.

IMPLAN's reputation as a trusted source for data and modeling makes verification easier. Its consistency and transparency help avoid regulatory or reputational risk, and will give you credibility in your communications with stakeholders.

POTENTIAL CHALLENGES & MITIGATION

Challenge	How IMPLAN Helps Mitigate
Internal resistance: cost, complexity, fuzzy ownership of Scope 3 data	IMPLAN's modeling helps quantify the magnitude and cost of emissions, making the business case; its supply chain traceability offers starting points; and helps prioritize which Scope 3 categories to tackle first.
Data uncertainty or missing supplier info	IMPLAN uses industry averages, input-output multipliers, and upstream assumptions to fill gaps; you can use proxies or sectoral data until detailed data is available.
Verification/audit skepticism	Transparent data sources, alignment with recognized methodologies (EPA, IPCC, ReCiPe), documented assumptions, and the ability to produce results across geographies that map to regulatory definitions.
Aligning economic & emissions goals (trade-offs)	IMPLAN allows modeling of both emissions and economic outputs (jobs, taxes, regional impact), so trade-offs are explicit and can be optimized.

WHAT WOULD THIS PROCESS LOOK LIKE?

The following is a hypothetical case example to illustrate how a large California industrial manufacturer could use IMPLAN:

The company begins by mapping its Scope 1 emissions, including on-site fuel use and the company's vehicle fleet. It then maps Scope 2, including all purchased electricity, steam, and cooling across its plants in California. For Scope 3, it evaluates the procurement of raw materials, upstream logistics, supplier energy use, and employee commuting, as well as downstream emissions from product transportation and packaging.

Using the **GHG Emissions Guide** within IMPLAN, this process is structured into a guided workflow, allowing the company to quickly generate baseline emissions estimates across all three scopes before refining inputs based on its specific operations and supply chain. This reduces the time-intensive effort typically required to gather and organize emissions data.

IMPLAN provides, by county and state, the jobs supported, taxes contributed, and economic output associated with those emissions-generating activities.

The company models two scenarios: switching to a renewable energy provider, redesigning supply chain routes, and substituting lower-carbon raw materials. IMPLAN allows comparing emissions reductions with costs, along with the economic ripple effects, including jobs and taxes, for each scenario.

Using the **GHG Emissions Guide**, you can translate these scenario outputs into consistent, reporting-ready results, ensuring your baseline and modeled scenarios align with disclosure requirements.

The outputs are used in the company's reports to CARB for Scope 1 and 2 in 2026, for Scope 3 starting in 2027, and in the climate-related financial risk report by January 1, 2027. Because these numbers are backed by transparent, credible methodologies, the company obtains limited assurance and then progresses toward higher levels of verification.

RECOMMENDATIONS

To ensure full compliance and strategic benefit, companies should:

Begin now. Deadlines in 2026 and 2027 require early preparation. Tools like IMPLAN's **GHG Emissions Guide** can accelerate baseline emissions estimation and workflow setup.

Establish cross-functional teams. Sustainability, operations, procurement, finance, and legal should align on reporting and risk.

Audit your supply chains. Map suppliers and logistics. The **GHG Emissions Guide** helps fill gaps where supplier data is incomplete.

Select robust modeling tools. Choose transparent solutions that combine emissions and economic context. Guided workflows like IMPLAN's **GHG Emissions Guide** help standardize and streamline reporting.

Engage third-party assurance early. Build reports that are traceable and defensible from the start.

Use IMPLAN as a central element of your strategy. With the **GHG Emissions Guide**, IMPLAN provides a direct path from emissions analysis to audit-ready reporting.

KEY TAKEAWAYS

California's Climate Corporate Data Accountability Act represents a watershed moment in corporate climate regulation. For companies with over \$1 billion in revenue doing business in California, the twin demands of emissions reporting across Scope 1, 2, and 3 and climate-related financial risk disclosures are not just regulatory burdens, but strategic imperatives.

IMPLAN is a key tool, not merely for ensuring compliance, but for enabling a deeper, more strategic approach: full visibility into emissions, understanding of the intertwined economic effects, capacity to test and plan interventions, and the ability to tell a credible, defensible story to regulators, investors, and the public. With the addition of the **Greenhouse Gas (GHG) Emissions Guide**, IMPLAN also provides a structured path from initial emissions estimates to audit-ready reporting, reducing the time and cost associated with manual processes or consultant-driven approaches.

Companies that move early with IMPLAN will not only meet the law's demands but also gain resilience, competitive advantage, and better risk mitigation. By leveraging the GHG Emissions Guide, organizations can accelerate readiness for upcoming deadlines, particularly as Scope 1 and 2 reporting begins August 10, 2026, with Scope 3 to follow in 2027.

The time to act is now.