MASTERING ESG REPORTING:

Key Steps for SB 253 and SB 261 Compliance

Why ESG Reporting Matters

Mandatory Compliance: New regulations require detailed emissions & risk disclosures.

Investor & Stakeholder Trust: Transparent ESG data boosts credibility.

Avoid Financial & Legal Risks: Non-compliance can lead to penalties & reputational damage.

Steps to Ensure Accurate ESG Reporting

1 Assess Your Current ESG Data

- Identify existing gaps in emissions and climate risk tracking.
- Align data collection with industry frameworks like TCFD, SEC, and EU ESG Standards.

2 Strengthen Data Management Systems

- Implement automated tracking for Scope 1, 2, & 3 emissions.
- Use third-party verification for credibility and accuracy.

3 Engage Your Value Chain

- Work with suppliers & partners to ensure accurate reporting across operations.
- Set clear expectations for emissions tracking and climate risk disclosure.

4 Develop a Clear Reporting Strategy

- Assign internal ESG leads to oversee compliance efforts.
- Create a structured biannual and annual reporting timeline to meet.

5 Monitor & Improve Continuously

- Regularly audit ESG data to identify areas for improvement.
- Stay updated on regulatory changes to remain compliant.

Pro Tip

Conducting materiality mapping for your supply chain can take six to nine months and reporting starts in 2026. The earlier you integrate ESG compliance into business operations, the easier reporting will be!

Read our ESG blogs on the Avetta website for more detail on navigating supply chain sustainability reporting.

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