

April 15, 2026

California Air Resources Board
1001 I Street, Sacramento, CA 95814

Re: Scope 3 Feedback for S.B. 253

To Whom It Concerns,

Thank you for the opportunity to provide feedback on the Staff Concepts presented during the March 2026 workshop. The comments below are additive context to our previous responses to CARB's RFI (Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219), feedback raised during the public workshop, and engagement with CARB through events including the March 2026 workshop.

The Meat Institute is the nation's oldest and largest trade association representing packers and processors of beef, pork, lamb, veal, turkey, chicken, and processed meat products and our member companies account for more than 95 percent of United States output of these products. The Meat Institute represents companies with a handful of employees to 1,000+ employees. California represents the largest number of USDA-inspected meat facilities (116) run by member companies, double that of our second largest state by USDA-inspected plant numbers. The Meat Institute works to provide resources and guidance to our members so that they can voluntarily advance climate-related risks and report without state or federal regulatory measures.

Across the entirety of questions posted in this feedback mechanism CARB's treatment of boundaries, accounting methods and standards, emissions factors selection and disclosure, and de minimis emissions are already sufficiently covered through the mandated limited, and eventually reasonable, assurance and verification process. We encourage CARB to avoid actions that would further regulate or interfere with existing third-party verification processes, slow market action on climate, and add complexity and cost to the system.

Regarding boundary setting: Boundary setting, including declaration of the approach and justification, is assessed as part of the limited and reasonable assurance processes. CARB should avoid requiring companies to conform to any mandated boundary and instead should rely on the assurance process to adequately assess the appropriateness of the chosen boundary.

Regarding standards: The most effective and appropriate way to build an efficient program will be to align reporting requirements with international standards such as Greenhouse Gas Protocol and to utilize the existing and already tested assurance

processes. Declaration of the reporting framework or standard used, explanation of key methodological choices, justifications and appropriateness of those methodological choices, along with demonstration of consistency and internal controls, are part of the limited and reasonable assurance processes. We encourage CARB to rely on the professional expertise of assurance providers to sufficiently test accounting methods and standards to avoid being overly prescriptive or duplicative of the third-party assurance process. Any deviations may require changes in reporting and even assurance requirements, adding unnecessary cost to businesses and time delays in preparing reports.

As previously recommended, we ask that CARB consider separate accommodations for privately held companies subject to SB 261 including the ability to reserve certain financial information (exact dollar amounts of climate related financial risk exposure) as CBI (Confidential Business Information) and instead allow a reliance upon *percentages* or other KPIs for characterizing financial risk (e.g., “operations were interrupted by power outages due to extreme weather x times this year which reduced our production volume by x% and decreased revenues by xx%”)

Regarding proposed flexibility: We urge CARB to continue building flexible methods and clear guidelines as there is no one-size-fits-all approach that would cover the diversity of entities subject to this. Flexibility is a key tool in the toolbox that companies use to overcome challenges such as data limitations (access and quality), complexity of business enterprises and supply chain engagement maturity. CARB’s guidance should be used to encourage meaningful GHG emissions accounting with a clear message for entities to go beyond a spend-based approach. Relying *solely* upon spend-based accounting of GHG emissions skews the results based upon monetary value and masks the carbon intensity of the energy, feedstocks and services in company’s value chain.

Regarding broad applicability: When seeking third-party assurance on Scope 3 emissions, companies are generally expected to identify, document, and justify any *de minimis* exclusions to the assurance provider. Assurance standards explicitly recognize that Scope 3 involves estimation uncertainty and allows reasoned exclusions when supported by evidence. CARB should rely on assurance providers to appropriately assess *de minimis* emissions when providing assurance and we encourage CARB to accept achievement of assurance as proof that *de minimis* exclusions are appropriately justified with no further reporting required. *de minimis* exclusions provide meaningful relief for categories where access is limited or emissions are not material. How CARB defines that tolerance would be an important factor in how workable this option is in practice.

Entities should be able to report as *de minimis* certain scope 3 categories due to the relevance/materiality to their overall scope 3 emissions. Our industry typically uses a 5% threshold with supporting explanation for exclusion in their report, which aligns with commonly used financial reporting standards and is currently applied uniformly in voluntary verification of corporate GHG inventories by third party verifiers. Similarly,

Chapter 7 of the GHG Protocol’s Corporate Standard describes how to document the assumptions used in methods, Emission Factors and data sources along with changes from a prior year in an Inventory Management Plan or an equivalent document. Third party verifiers rely on this type of document as part of their inventory reviews as well. Ultimately, GHG protocol has the below criteria for determining relevancy for scope 3. Companies should use these criteria to determine what categories are material/relevant to their business.

Table [6.1] Criteria for Identifying relevant scope 3 activities

Criteria	Description
Size	They contribute significantly to the company’s total anticipated scope 3 emissions (see section 7.1 for guidance on using initial estimation methods)
Influence	There are potential emissions reductions that could be undertaken or influenced by the company (see box 6.2)
Risk	They contribute to the company’s risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks) (see table 2.2)
Stakeholders	They are deemed critical by key stakeholders (e.g., customers, suppliers, investors, or civil society)
Outsourcing	They are outsourced activities previously performed in-house or activities outsourced by the reporting company that are typically performed in-house by other companies in the reporting company’s sector
Sector guidance	They have been identified as significant by sector-specific guidance
Other	They meet any additional criteria for determining relevance developed by the company or industry sector

Regarding emission factors: Emissions factors and product carbon footprint work, developed using a company’s internal data and life cycle assessments should be treated as confidential and proprietary. While these inputs are appropriately reviewed and tested through third-party assurance, broad disclosure could unintentionally slow supply chain decarbonization efforts, including the adoption of regenerative agriculture, and undercut competitive advantage.

We support CARB in providing practical guidance in the form of knowledge sharing and educational resources, we encourage CARB to avoid actions that would further regulate or interfere with existing third-party verification processes. The meat industry has developed a scope 3 emission factor guide to assist companies in identifying the most appropriate and credible emission factors for scope 3, category 1, however each company is capable of making their own decisions based on their business objectives and supply chain realities. Documentation and explanations for these emission factors can be included in a company’s inventory management plan as previously described in these comments.

Regarding phase-in: Regarding sectoral phase-in, it is unclear today whether food companies such as meat packers and processors would be considered industrial, or agriculture, leading to uncertainty and a lack of clarity on how to approach feedback and planning. Unlike other industrial activity, emissions from food are heavily impacted by the supply chain practices covered in scope 3 emissions, which nearly all come from agriculture.

Regarding category phase-in: We recommend a phased approach to quantifying Scope 3 emissions, starting with a screening level assessment based on spend data and EEIO factors. This follows the recommended first step in the GHG Protocol’s Corporate

Standard to prioritize Scope 3 categories, for prioritizing data collection and accounting. This screening identifies categories of Scope 3 that are material to the company. A spend based emissions analysis could serve as a requirement for the first year of Scope 3 reporting to CARB in 2027. To serve as a starting point, a helpful source of information on the relevance of Scope 3 GHG categories by industrial sector as reported to [CDP](#) is in their 2025 report, Relevance of Scope 3 Categories by Sector. For entities who have already conducted a materiality analysis of their Scope 3 emissions to identify material categories, under this phased approach, the second step could be to quantify the top 50% of their material Scope 3 emission categories for reporting in 2027. This could serve as the preferred level of Scope 3 reporting to CARB for the first year (2027). This Scope 3 emissions accounting would quantify the amount of GHG emissions per unit of purchased feedstocks and services by category.

Regarding assurance: Regarding costs associated with SB 253, we believe that CARB's estimated costs underestimate the full and ongoing costs associated with building a robust data system that is capable of achieving full assurance, along with appropriate staff and external support which may be required. We urge CARB to consider the economic burden of reporting and assurance and design a program that can be accomplished with little to no additional cost. While an important tool for both financial management and public trust, reporting provides no direct economic benefit to companies and often becomes a barrier to implementing programs that mitigate climate impacts. Our industry prioritizes continuous improvement, which can be hard to resource when the cost of doing business (reporting) continues to climb.

Specialized knowledge, either through highly trained technical staff, or external consultants, are an ongoing cost to SB 253 compliance which are expected to increase, not decrease, over time as labor costs and inflation rise. Demand for qualified assurance providers may also increase assurance costs over time. CARB should consider that the costs incurred are most likely to occur within the country or state where the parent company is incorporated, headquartered, or has substantial presence. We expect that in-scope entities will be making decisions on external support based on qualifications and cost, rather than their affiliation with CARB or the state of California.

Additionally, it seems the cost estimates presented by CARB are drawn from voluntary disclosure experience, which may not be representative of what first-time mandatory reporters will face. Given the limited market data available at this stage, cost ranges will likely become clearer as the program develops and more companies complete their first engagements. The current pool of GHG assurance providers is relatively limited. With thousands of companies subject to SB 253 simultaneously, supply constraints could also be a factor in shaping cost outcomes in the early years of the program.

Limited assurance costs are driven by a variety of factors including size and operational scope, readiness, timeline, complexity of inventories, amount of data reviewed,

tests/sampling, site travel and the number of reports needed. Each auditor also has different cost structures that are out of the reporting company's control. A fixed per-entity cost estimate may not capture that range of factors well. Data quality and internal controls readiness will also be a key factor, with companies building GHG reporting infrastructure for the first time requiring more assurance effort in Year 1 than in subsequent years. For example, a Year 1 assurance will most likely require facility visits that will drive up the costs. Provider availability, as noted above, is another consideration, particularly as CARB's recognized standards will affect the pool of eligible providers.

Anecdotal examples from our members suggest limited assurance costs ranging from \$25,000 to \$250,000 based on the factors noted above, and reasonable assurance easily doubles the costs.

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The Meat Institute appreciates the opportunity to submit these comments and welcomes the opportunity to meet with the California Air Resources Board to discuss it further. If you have questions or would like to discuss the issues or points presented, please contact me.

Respectfully submitted,

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