



Subject: Public Comments to March 23, 2026 Climate Disclosure Workshop

Date: April 30, 2026

To: California Air Resources Board (CARB)

To Whom It May Concern,

This letter provides feedback on the initial concepts shared during CARB's March 23rd Climate Disclosure Workshop. This commentary is submitted on behalf of [Agendi](#), a sustainability consultancy supporting over 200 clients on climate and sustainability matters. We appreciate your request for and consideration of public feedback and hope our comments prove useful as you develop implementation guidance. We've summarized the main points below followed by more detailed context in the subsequent pages.

Our comments are primarily focused on aligning with the GHG Protocol, streamlining reporting, and using the broad applicability approach for scope 3 reporting. Key recommendations include:

- **Align with GHG Protocol:** The GHG Protocol is largely considered the best practice methodology and is used by almost all companies who voluntarily disclose GHG emissions. Where possible, we encourage CARB to use GHG Protocol language in the regulation and/or point organizations to these guidance documents directly. The GHG Protocol is currently undergoing major revision, with updates expected in 2027. These updated documents should be considered for future reporting requirements.
- **Streamline Reporting Requirements:** We appreciate CARB's intention to streamline reporting requirements for organizations and their consideration of other jurisdictional requirements. We encourage CARB to simplify requirements (e.g., requirements should not exceed the scope of comprehensive voluntary frameworks such as CDP) to increase interoperability between other mandatory requirements and voluntary standards companies may be disclosing against.
- **Broad Applicability for Scope 3:** This is the most straightforward approach to scope 3 reporting and will indicate clear obligations that all companies need to comply with. It will result in increased comparability and less ambiguity

about scope 3 and rewards companies that have already invested in preparation.

Overall, we appreciate the efforts that CARB has made to clarify requirements for reporting in 2027 and beyond and look forward to seeing how the initial concepts are refined in response to stakeholder feedback.

The following detailed comments are offered to support refinement of initial concepts and are structured as responses to the questions posed during the March 23rd Climate Disclosure Workshop. Agendi has responded only to questions on which we have substantive feedback.

General Questions

- **If your company reports under another jurisdiction's program, what elements of that framework should CARB take into account?**

While Agendi does not report to other jurisdictions as a company, we assist many organizations in doing so. We encourage CARB to continue prioritizing cross-jurisdictional interoperability to reduce duplicative reporting burden for in-scope entities.

- **Are there topics from the initial regulation adopted at the February 2026 Board hearing that need to be revisited, including reporting deadlines post 2026, applicability definitions, and/or exemptions?**

Based on comments raised during the workshop, it appears that existing insurance reporting programs do not provide CARB with equivalent information to that required under SB253. Notably, existing insurance reporting requirements do not include assurance or comprehensive Scope 3 disclosure, both of which are mandated under SB253. We recommend that CARB revisit this exemption in future rulemaking.

Organizational Boundaries

- **Are there other approaches to organizational boundary setting that CARB should consider?**

The approaches listed by CARB represent the primary options used by organizations and the ones in line with the GHG Protocol. We would recommend maintaining alignment with GHG Protocol whenever possible. If updates to the GHG Protocol result in additional approaches, they should be considered for future reporting.

- **How should entities explain their choice of organizational boundary?**

While companies should reference their boundary selection, Agendi recommends not requiring extensive justification. CDP asks companies to confirm whether their consolidation approach aligns with their financial accounting boundary, and to provide a brief explanation if it does not. If CARB requests justification on boundary selection, we recommend aligning to this approach.

Accounting Methods

- **What additional information for Scope 1 and 2 reporting should CARB consider when developing final reporting templates?**

Agendi provided separate feedback on Scope 1 & 2 reporting templates. There is no further feedback at this time. We look forward to reviewing and providing feedback on the next iteration.

- **What accounting methods does your organization currently use for Scope 1, 2, and 3 GHG emissions?**

We support organizations in completing their GHG inventories across all scopes and use accounting methods indicated in the GHG Protocol. These include the ones shared by CARB in their initial staff concepts, as well as those listed below. The GHG Protocol is currently undergoing major revision and is expected to release an update by the end of 2027. Any additional methodological approaches presented in the final updates should be considered for future reporting.

- **Average data method** (definition varies across categories) - estimates emissions for goods and services by collecting data on the mass (e.g., kilograms or pounds), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of good or service); estimating emissions for each distribution activity, based on average data (such as average emissions per pallet or cubic meter stored per day); using revenue data combined with EEIO data to estimate the scope 1 and scope 2 emissions from the investee company and allocating emissions based upon share of investment.
- **Average spend-based method** - estimating emissions for goods by collecting data on the economic value of goods purchased and

multiplying by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).

- **Fuel-based method** - determining the amount of fuel consumed (i.e., scope 1 and scope 2 emissions of transport providers) and applying the appropriate emission factor for that fuel
- **Distance-based method** - determining the mass, distance, and mode of each shipment, then applying the appropriate mass-distance emission factor for the vehicle used
- **Site-specific method** - site-specific fuel, electricity, and fugitive emissions data and applying the appropriate emission factors
- **Waste-type specific method** - using emission factors for specific waste types and waste treatment methods
- **Asset-specific method** - collecting asset-specific (e.g., site-specific) fuel and energy use data and process and fugitive emissions data or scope 1 and scope 2 emissions data from individual leased assets
- **Lessor-specific method** - collecting the scope 1 and scope 2 emissions from lessor(s) and allocating emissions to the relevant leased asset(s)
- **Franchise-specific method** - involves collecting site-specific activity data or scope 1 and scope 2 emissions data from franchisees
- **Investment-specific method** - collecting scope 1 and scope 2 emissions from the investee company and allocating the emissions based upon the share of investment
- **Should CARB consider allowing other accounting methods? If so, which ones and why?**

The accounting methods listed by CARB do not reflect the full range of methods recognized by the current version of the GHG Protocol. We encourage CARB to align with the standard whenever possible, keeping in mind the ongoing major review planned for completion by 2027. We recommend that CARB avoid enumerating specific approved accounting methods, if possible, and instead point reporting entities towards the GHG Protocol for acceptable methods as these methods may evolve over time in line with prevailing best practice.

Emission Factors

- **What criteria should emission factors meet to be used in this program?**
We recommend that CARB avoid prescribing a fixed list of acceptable emission factors, as databases and best-available sources evolve frequently and would be difficult to maintain. Additionally, given the volume of locally specific emission factors and the diversity of companies in scope, creating a

fixed list would not be practical (and may disproportionately affect global organizations that do business in California).

- **How should reporters document and explain their use of a particular emission factor, including proprietary models?**

Explanation of specific emission factor usage is most appropriately addressed through the assurance process rather than required as part of the public disclosure itself. Reporters may reasonably be asked to cite the sources of emission factors used (e.g., EPA, DESNZ), but requiring rationale for each individual factor may create undue reporting burden without meaningful benefit to stakeholders.

- **How should reporters document and explain when changing EFs from a prior year?**

We recommend that CARB not require emission factor changes to be documented in isolation. Instead, reporters should be asked to disclose methodology changes at a higher level, consistent with CDP's approach. Specifically, reporters could be asked to confirm via a yes/no response in the reporting template whether any methodology changes occurred in the reporting year, and if yes, to briefly describe what changed and why (which may include updates to emission factor databases, calculation methodologies, or inventory boundaries such as newly included facilities). This approach captures material changes without requiring granular, factor-by-factor documentation that would be burdensome for reporters and difficult for CARB to review consistently.

Scope 3 Reporting Options

- **Should reporting entities be able to report as *de minimis* certain categories due to lack of relevance/materiality and/or feasibility?**

Agendi recommends that CARB move forward with the broad applicability approach. This is the most straightforward approach for companies to manage and aligns with the expectations that have been established over the past several years of implementation preparation.

Regarding “de minimis”, we recommend that exclusions of Scope 3 categories be permitted only on the basis of relevance, not materiality or feasibility.

Allowing companies to exclude categories on grounds of materiality or feasibility creates too broad an opening for avoidance, as these determinations are inherently subjective and difficult for CARB to verify consistently. If CARB retains the de minimis concept, we encourage careful attention to its definition and framing, making clear that exclusions apply only where a category is genuinely not relevant to a company's business, not where reporting is deemed difficult or the emissions are assumed to be

immaterial without calculation. This may require reconsidering the term “de minimis” to avoid confusion.

It is also worth noting that, per GHG Protocol best practices, a proper determination of materiality still requires data collection and emissions calculations; meaning, a materiality-based exclusion would not meaningfully reduce burden for reporting entities, while significantly reducing the quality and comparability of disclosures.

- **What specific thresholds, definitions, or decision frameworks should CARB use to determine when a Scope 3 category is considered *de minimis* to be reported?**

We recommend that CARB provide clear, specific guidance on how reporting entities should determine whether a Scope 3 category qualifies as *de minimis*. As noted in our previous response, we recommend that this determination be based solely on relevance, not materiality or feasibility.

As a starting point, we encourage CARB to draw from the GHG Protocol Corporate Value Chain (Scope 3) Standard, specifically the relevance criteria outlined in Table 6.1 (p. 61), which provides a framework for determining which categories are applicable to a given company's value chain. This should be the baseline, supplemented by additional CARB guidance, if needed.

Leveraging these existing resources would reduce the burden on CARB to develop guidance from scratch while ensuring alignment with established global frameworks. Note categories and definitions may be updated during the major revision, planned for release in 2027 (e.g., there is a new proposed category in their [progress update](#) from March 2026).

- **How should CARB weigh reporting flexibility against alignment with current mandatory and voluntary practices and other international standards?**

CARB should prioritize alignment with existing mandatory and voluntary practices over reporting flexibility, as the primary goal of the program is to produce comparable, decision-useful data. Deviating from established standards risks introducing variance across reporting entities, undermining the comparability that the program is designed to achieve.

This approach is consistent with other major mandatory frameworks that require or are moving toward comprehensive Scope 3 reporting, including the EU's Corporate Sustainability Reporting Directive (CSRD) and the Australian Sustainability Reporting Standards (ASRS).

- **Are these sectors (transportation, technology and energy, cement production, manufacturing) the appropriate starting point for a phased approach to Scope 3 reporting? What factors should CARB consider in confirming or adjusting this prioritization?**

We recommend that CARB reconsider the sectoral phase-in approach altogether in favor of broad applicability. The sectors identified - transportation, technology and energy, cement production, and manufacturing - are generally high-emitting in terms of Scope 1 and 2 emissions, but this does not necessarily correlate with the relative significance of their Scope 3 emissions. In contrast, sectors not included in this prioritization, such as professional services and software, often have the vast majority of their climate impact concentrated in Scope 3, making their exclusion from early reporting requirements difficult to justify from a climate disclosure standpoint. Additionally, determining which sectors should be required to report Scope 3 first is inherently complicated by the fact that the relative proportion of Scope 3 emissions varies significantly not just by sector but by company size and value chain structure. This makes any sectoral prioritization framework difficult to defend on consistent criteria.

- **Are these the appropriate categories (6, 1, 3, 7, 5) to prioritize for initial reporting based on data availability and relevance across sectors?**

Our primary recommendation is that CARB adopt the broad applicability rather than any phased approach. The comments below are offered in the event CARB proceeds with a category phase-in despite this recommendation. The five categories proposed (1, 3, 5, 6, and 7) may not be the appropriate starting point. The rationale that these categories are “most commonly reported” does not mean they are most material. Which Scope 3 categories are most significant is highly dependent on the individual company and sector. For example, Category 6 (business travel) may represent the largest source of Scope 3 emissions for a professional services firm, while Category 11 (use of sold products) would likely be far more significant for a company with a physical product portfolio. A one-size-fits-all category prioritization does not reflect this nuance. It is also worth noting that Category 3 (fuel and energy-related activities) tends to be a relatively low proportion of total Scope 3 emissions for companies whose emissions are concentrated in Scope 3, making its inclusion as a priority category likely difficult to justify on materiality grounds. Category 1 (purchased goods and services), by contrast, is frequently among the most significant categories across sectors and its prioritization is more defensible.

If CARB wishes to provide sector-specific guidance on category relevance, CDP's Technical Note on the relevance of Scope 3 categories by sector would be a strong reference point, as it identifies the most significant categories for high-impact sectors based on literature review and empirical emissions data. Please note that the major revision currently underway for the GHG Protocol may result in updates to categories and definitions, which may make this

approach more difficult to manage as the final updates are expected in 2027 (e.g., a new proposed category is in their [progress update](#) from March 2026).

Assurance

- **What factors are driving assurance costs, and how do costs vary across entity size, sector, and assurance level?**

There is a large variation in assurance pricing. Factors that drive assurance costs include: scopes assured (scope 1 & 2 v scope 3), limited v reasonable assurance, company size / complexity of emissions, assurance entity performing the work, whether there are additional aspects incorporated in assurance (other than emissions), etc.

Economic Analysis

- **Are the costs presented in the ballpark of your company's estimates for compiling, reporting, and assurance GHG emissions? Be as detailed as possible about the costs associated with specific aspects of GHG reporting (e.g. data collection vs. analysis, cost variations across scopes, limited and reasonable assurance) and which reporting methodologies apply.**

The costs presented do not necessarily align with Agendi's experience on GHG emissions reporting. It is common for the cost for Scope 3 calculations to be higher than that of Scope 1 and 2, depending on sector, which is not what was represented in the materials provided by CARB. It is possible for Scope 3 emissions calculations to be lower than Scope 1 & 2 if they are simple calculations and/or the start up costs for platforms or consultant fees are incorporated within the previous value.

Best,

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Introduction to [Agendi](#)

Agendi is a specialist climate and sustainability consulting firm serving Fortune 500 and other large international organizations on ESG topics. Founded in 2016, Agendi has supported more than 200 clients with services spanning climate strategy, carbon markets, emissions accounting, and stakeholder engagement. The firm's team combines deep subject matter expertise with decades of experience in ESG and climate advisory, delivering tailored, innovative solutions that help clients meet their sustainability goals. Agendi's credibility is reinforced by its accreditations and commitments, including obtaining B-Corp certification, serving as a CDP accredited solutions provider, having approved Science Based Targets, being a Green-e certified provider, having an EcoVadis Silver rating, and recognition as a Friend of EFRAG.

Introduction to Contributors

[Natalia Pascual](#)

Natalia Pascual is an Associate Partner at Agendi, based in San Francisco, and a recognized expert in climate and sustainability strategy. With more than a decade of consulting experience, she serves as one of Agendi's leads on California climate disclosure, supporting clients with complex greenhouse gas inventories, the design and implementation of climate strategies, and the assessment of climate-related financial risks and opportunities. She has advised over 35 companies across 15+ industries, guiding organizations through compliance with the California Climate Disclosure Package and aligning their reporting with both state and global frameworks. A recognized thought leader, Natalia has contributed to influential resources such as the IEA's Life cycle Upstream Emission Factors 2023 (Pilot Edition) documentation and the Green Sports Alliance's Decarbonization Playbook. She regularly shares her expertise at high profile forums including San Francisco Climate Week (2024, 2025), the Green Fin conference, the GSA Summit, and Trellis Impact, where she has led discussions on climate regulation, Scope 3 challenges, ESG strategy, and supply chain engagement.

[Samantha Weinberg](#)

Samantha Weinberg is a Manager at Agendi in our San Francisco office. She has over a decade of experience in corporate sustainability strategy in climate action and has worked extensively with Fortune 500 companies and multinational organizations, both as an external advisor and in-house sustainability expert. Samantha specializes in supporting clients across the full spectrum of their sustainability journeys, including conducting complex GHG inventories and climate-related risk and opportunity assessments. She has been instrumental in guiding companies through compliance with the California Climate Accountability Package, helping them align disclosures with both state and global reporting frameworks. Samantha also regularly speaks at events on sustainability and climate disclosure and has contributed to the Green Sports Alliance playbook on energy decarbonization. Her background in corporate social responsibility has included prior roles at the World Economic Forum, DAI, the National Human Rights Council of Morocco, and the African Presidential Center at Boston University.