

**Comments to questions 7 and 8 are provided in BLUE**

**SB 253: Climate Corporate Data Accountability Act**

7. Entities must measure and report their emissions of greenhouse gases in conformance with the GHG Protocol, 1 which allows for flexibility in some areas (i.e. boundary setting, apportioning emissions in multiple ownerships, GHGs subject to reporting, reporting by sector vs business unit, or others). Are there specific aspects of scopes 1, 2, or 3 reporting that CARB should consider standardizing?

When developing consistent and reliable disclosures, a key aspect to consider is the implementation of a uniform approach, especially when defining Scope 3 boundaries. Therefore, it could be useful to evaluate the adoption of Organization Sectorial Rules (OSR) as they define which emission categories shall be considered for each specific sector.

See link: <https://www.carbonfootprintitaly.it/en/osr/>

8. SB 253 requires that reporting entities obtain “assurance providers.” An assurance provider is required to be third-party, independent, and have significant experience in measuring, analyzing, reporting, or attesting in accordance with professional standards and applicable legal and regulatory requirements.

- a. For entities required to report under SB 253, what options exist for third-party verification or assurance for scope 3 emissions?

Following ISO 14064-3 (Specification with guidance for the verification and validation of greenhouse gas statements), GHG accounting shall be verified providing assurance (see next paragraph). In particular, when dealing with Scope 3 emissions, third-party verification shall opt for a mixed engagement approach, able to combine both verification with an AUP (Agreed Upon Procedures) approach.

- b. For purposes of implementing SB 253, what standards should be used to define limited assurance and reasonable level of assurance? Should the existing definition for “reasonable assurance<sup>2</sup>” in MRR be utilized, and if not why?

As mentioned, a standard that provides a clear framework is ISO 14064-3. When including Scope 3 emissions is hard to provide a reasonable assurance and often companies opt for a limited level of assurance. A more transparent and remarkable approach is mixed engagement as it combines reasonable assurance on data that goes through the verification process, with an AUP on more general information that depends on scenarios and thus not verifiable with adequate levels of assurance.

Concluding, mixed engagement is the best option for third-party verification on GHGs inventories allowing for reasonable assurance on Scope 1 and Scope 2 and for an AUP on Scope 3.