# California Climate Disclosure Laws

## What Meat Institute Members Need to Know

Updated June 2026

Prepared by the Meat Institute for member companies navigating SB 253 and SB 261 compliance.

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# Executive Summary

California has enacted the most comprehensive corporate climate disclosure requirements in the country through three related bills, SB 253, SB 261, and SB 219, often referred to together as "the 200s." Starting in 2026, these laws require large companies doing business in California, including most of the country's largest meat packers, processors, and distributors, to publicly report greenhouse gas emissions and climate-related financial risk.

The California Air Resources Board (CARB) is the implementing agency. CARB adopted its initial regulation on February 26, 2026, setting fees, key definitions, and the first reporting deadline. A second rulemaking covering 2027 reporting, including Scope 3 emissions and assurance, is now underway, with a formal Notice of Proposed Rulemaking expected later in 2026.

### Confirmed deadlines for covered companies:

- January 1, 2026: SB 261 climate-related financial risk reports due on a biennial basis. Enforcement of this deadline is currently paused pending litigation; CARB will set a new mandatory date once the case resolves.
- November 10, 2026: SB 253 Scope 1 and 2 ghg emissions data due (first reporting year; no third-party assurance required).
- 2027: SB 253 Scope 3 emissions begin, alongside limited assurance on Scopes 1 and 2.
- 2030: SB 253 reasonable assurance on Scopes 1 and 2, and possible assurance on Scope 3 if CARB mandates it.

The Meat Institute has been actively engaged with CARB on this rulemaking, submitting formal comments across both SB 261 and 253 and convening member education through the Sustainability Committee. This guide summarizes what members need to know now, and where the Meat Institute stands as the rules continue to take shape.

Disclaimer: This checklist is provided for informational purposes only and does not constitute legal advice. Companies should consult their legal, accounting, and sustainability advisors regarding the applicability of SB 253 and 261 and evolving CARB implementation requirements.

# California Rules at a Glance

SB 253 and SB 261 share a regulator and a legislative package, but they apply to different companies and require different things. The table below summarizes both.

| | SB 253 | SB 261 |
|---|---|---|
| **Who is in scope** | US-formed entities doing business in California with more than $1 billion in total global annual revenue | US-formed entities doing business in California with more than $500 million in total global annual revenue |
| **What is required** | Annual Scope 1, 2, and 3 greenhouse gas emissions disclosure, in alignment with Greenhouse Gas Protocol | A climate-related financial risk report aligned with TCFD, IFRS S2 (ISSB), or an equivalent government or exchange-mandated framework |
| **Key timeline** | Scope 1 and 2: November 10, 2026<br>Scope 3: 2027 (exact reporting date TBD) | First report due January 1, 2026 on a biennial cycle (enforcement currently paused; new deadline pending litigation) |
| **Estimated filing fee** | $3,106 per entity | $1,403 per entity |
| **Maximum penalty** | $500,000 per year | $50,000 per year |
| **Meat Institute resources** | Emission Factors Guide for Scope 3 Category 1; GHG Inventory Tool; Formal comments to CARB | Sustainability Committee briefings; GHG Message Library |

Note: filing fees are set annually by CARB and adjusted for inflation; figures above reflect CARB's most recent published fee schedule.

# Timeline of Key Milestones

| Date | Milestone |
|---|---|
| August 2024 | SB 253 and SB 261 signed into law; later amended by SB 219. |
| September 2025 | CARB publishes its preliminary list of covered companies. |
| February 26, 2026 | CARB adopts its initial regulation, setting fees, definitions, and the first reporting deadline. |
| March 23, 2026 | CARB holds a public workshop on the Scope 3 framework for 2027 reporting. |
| April 15, 2026 | Formal comment deadline on the Scope 3 workshop. Meat Institute comments submitted. |
| November 10, 2026 | First SB 253 deadline: Scope 1 and 2 emissions due for fiscal year 2025, covering companies with more than $1 billion in revenue. No assurance required this cycle. |
| Late 2026 | CARB expected to issue a formal Notice of Proposed Rulemaking on 2027 requirements, opening a 45-day public comment period, the highest-leverage opportunity left in this process. |
| 2027 | Scope 3 emissions reporting begins, together with limited third-party assurance on Scope 1 and 2 data. |
| 2030 | Reasonable assurance required on Scope 1 and 2; CARB to decide by January 1, 2027 whether Scope 3 assurance will also be required starting this year. |

### Meat Institute take

Members should use 2026 to build durable emissions measurement systems rather than wait for every CARB rule to be finalized. Although CARB did not adopt the implementing regulation until February 2026, the November 10 deadline remains in place. Companies can reduce compliance risk by organizing data, assigning internal ownership, documenting assumptions, and preparing systems that can support both the Scope 1 and 2 report this year and future Scope 3 requirements.

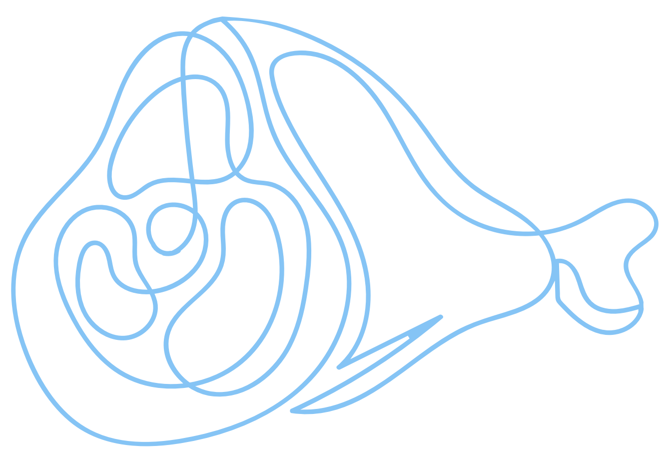
# Who Must Comply

SB 253 applies to entities formed in the US (corporations, LLCs, partnerships) with more than $1 billion in annual global revenue that do business in California. SB 261 uses the same "doing business in California" test but applies at a $500 million revenue threshold.

CARB defines "doing business in California" using California Revenue and Taxation Code § 23101: an entity is in scope if it is organized or domiciled in California, or if its California sales exceed the Franchise Tax Board threshold (just over $757,000 for 2025). Companies must comply even if they are not named on CARB's published list, the list is illustrative, not a safe harbor.

Most large meat packers, processors, and distributors operating nationally are likely to meet the SB 253 revenue threshold given the scale of the industry, and a broader set of mid-size members will likely meet the lower SB 261 threshold. Companies with a complex corporate structure, including those with a foreign parent or multiple subsidiaries, should pay close attention: CARB has signaled that corporate groups filing as a unitary business may need to aggregate revenue across entities when assessing whether they meet the threshold.

Proposed exemptions include non-profits, companies whose only California presence is teleworking employees, government entities, the CA Independent System Operator, and insurance companies.



# Reporting Requirements

### SB 253: Greenhouse Gas Emissions

| Element | SB 253 | Timing |
|---|---|---|
| Scopes 1 and 2 | Report annually, following the GHG Protocol Corporate Standard | First report due November 10, 2026 (FY2025 data for most companies) |
| Scope 3 | Report annually | First report expected 2027 (FY2026 data); exact date and methodology still being finalized |
| Assurance | Independent third-party verification | Limited assurance on Scopes 1 and 2 from 2027 and reasonable assurance from 2030; Scope 3 assurance possible from 2030 if mandated |
| Reporting template | Voluntary template provided for Scope 1 and 2 for first year reporting | Voluntary for 2026 reporting; final data requirements will be issued with the 2027 rulemaking |

### SB 261: Climate-Related Financial Risk

Covered companies must publish a climate-related financial risk report describing their climate-related financial risks and the measures adopted to mitigate them, using one of three frameworks: TCFD, IFRS S2 (ISSB), or another report developed under a regulated exchange or government framework. Reports must address all four TCFD/IFRS S2 pillars, governance, strategy, risk management, and metrics and targets, though quantitative emissions metrics and scenario analysis remain optional in the first cycle.

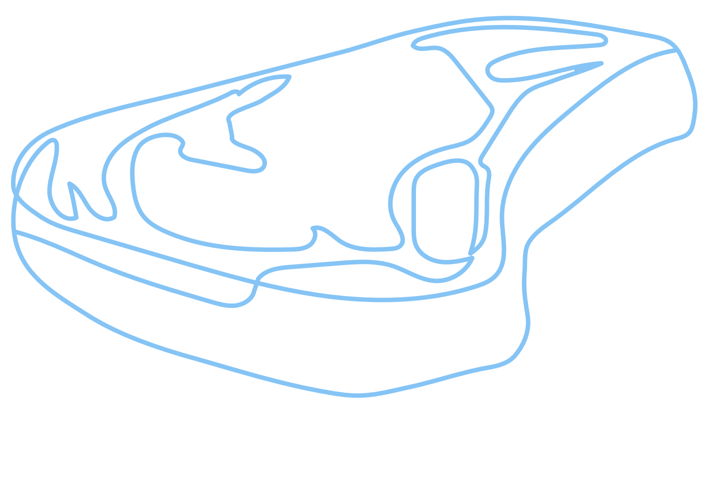
CARB allows a "comply or explain" approach: a company may submit a partial disclosure as long as it explains the gap. Reports are due biennially, with the first cycle originally set for January 1, 2026. Enforcement of that date is currently stayed by a Ninth Circuit injunction; companies may still file voluntarily, and CARB will announce a new mandatory deadline once the litigation concludes.

# Assurance & Verification

SB 253's assurance requirements, limited assurance beginning in 2027 and moving to reasonable assurance by 2030, bring climate disclosures closer to the rigor of financial audits. Verification providers must have significant experience measuring and attesting to GHG emissions, meet professional standards, and be independent from the reporting entity. Acceptable standards include ISSA 5000, AA1000, ISO 14064-3, AICPA AT-C 205/210, and ISAE 3000/3410. SB 261 reports are self-published and do not require third-party assurance.

## Meat Institute Take

Real-world assurance costs are running well ahead of CARB's published estimate. CARB's official cost projection is $135,000 to $152,000 in total compliance cost per entity. Meat Institute members report limited assurance costs ranging from $25,000 to $250,000, and reasonable assurance can likely double that cost. The gap likely reflects CARB benchmarking against simple, voluntary reporters; a complex meat company with global supply chains should plan for costs three to five times higher than CARB's estimate and should budget and staff for it now rather than after the first report is due. Members should shop around for verification to understand how cost compares between providers for their company, making sure the auditor has experience and qualifications to audit GHG emissions.



# Fees, Enforcement & Penalties

CARB assesses a flat annual administrative fee on each in-scope entity, including subsidiaries covered under a parent report, calculated by dividing total program cost across covered entities. Fees are assessed each September 10 and adjusted for inflation.

| Statute | Estimated annual fee | Maximum annual penalty |
|---|---|---|
| SB 253 | $3,106 per entity | $500,000 |
| SB 261 | $1,403 per entity | $50,000 |
| Filing both | $4,509 per entity | n/a |

CARB has stated it will take a flexible approach in the first SB 253 reporting year: companies will not face penalties for an incomplete report if they show a good-faith effort and report the best data they already possessed or were collecting as of December 2024. This safe harbor applies only to SB 253, not SB 261.

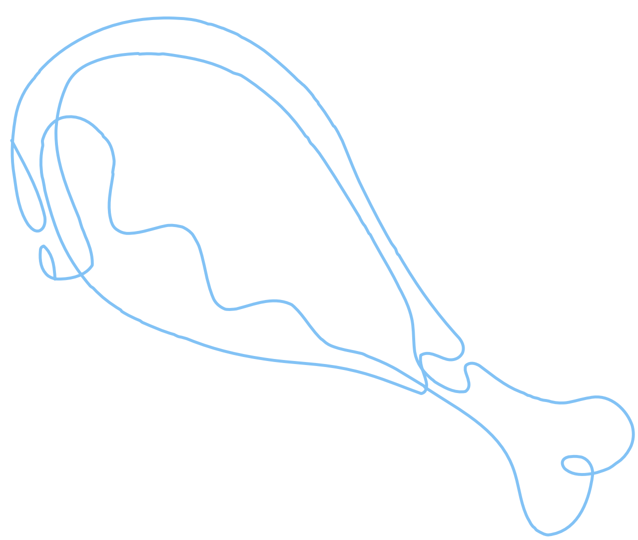
### Meat Institute Take

Emissions measurement and reporting is an imperfect discipline and an evolving science, especially for complex agricultural supply chains where methods, data availability, and emission factors continue to develop. While the penalties matter, the added reputational exposure of public filings matters too. To earn consumer trust in animal protein, the goal should be a credible, transparent, good-faith filing that explains assumptions and data gaps clearly. Meat Institute Reporting provides a pathway to engage stakeholders and share your story in an appropriate manner. Contact Sam Wildman to learn more about Meat Institute Reporting and the Reporting Toolkit.

# Conclusion

California's climate disclosure laws are an inflection point for corporate accountability, and for an industry as deeply tied to California's market as meat and poultry. The requirements are still being finalized, particularly for Scope 3, but the November 10, 2026, Scope 1 and 2 deadline is quickly approaching. Members that begin building measurement systems and governance now, rather than waiting for every rule to be finalized, will be in a far stronger position heading into 2027 and beyond.

The Meat Institute will continue to track this rulemaking closely, represent member interests with CARB, and keep this guide updated as new rules and deadlines are confirmed. Contact Sam Wildman at swildman@meatinstitute.org with questions on this guide or on the Meat Institute's CARB engagement.



# Frequently Asked Questions

### How do I know if my company must comply?

Check whether any of your corporate entities do business in California. If global revenue is above $500 million, you are in scope for SB 261; if it is above $1 billion, you are in scope for both laws. Subsidiaries can report at the parent level, but fees apply per entity.

### What does SB 253 require, and when?

2026: annual Scope 1 and 2 emissions, due November 10. For 2027: Scope 3 emissions, plus limited assurance on Scopes 1 and 2. 2030: reasonable assurance on Scopes 1 and 2, and possibly Scope 3 if CARB mandates it.

### Is the SB 261 deadline really paused?

Yes, enforcement of the original January 1, 2026 deadline is currently stayed by a Ninth Circuit injunction. Companies may still file voluntarily, and CARB will set a new mandatory deadline once the litigation concludes. This pause applies to SB 261 only; it does not affect the SB 253 November 10, 2026 deadline.

### What counts as a "good faith" first-year SB 253 report?

CARB has stated it will not penalize reasonable omissions in the first filing cycle if a company reports using the best data it already possessed or was collecting as of December 2024, and clearly explains any gaps along with a plan to close them

### Will CARB provide a reporting template?

For SB 253, yes: CARB published a draft template in October 2025 that is voluntary for 2026 and will be finalized as part of the 2027 rulemaking. SB 261 has no CARB-provided template; companies format their own public report in conformance with TCFD, IFRS S2 (ISSB), or another report developed under a regulated exchange or government framework.

### Where can members go for help?

The Meat Institute's Emission Factors Guide and GHG Inventory Tool are available to members preparing Scope 3 Category 1 data. The Sustainability Committee meets the second Thursday of every month and is the best place to track developments and ask questions. Contact Sam Wildman at swildman@meatinstitute.org with questions on this guide or on the Meat Institute's CARB engagement.

For More Information:

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