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September 11, 2025

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted online via https://ww2.arb.ca.gov/public-comments/public-comments-august-21-2025-climate-disclosure-workshop

RE: Comments to the to August 21, 2025, Climate Disclosure Workshop

Dear California Air Resources Board (CARB):

The Consumer Technology Association (CTA) appreciates the opportunity to provide comments on the August 21, 2025, climate disclosure workshop on California's Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs. As North America's largest technology trade association, CTA® is the tech sector. Our members are the world's leading innovators—from startups to global brands—helping support more than 18 million American jobs. CTA owns and produces CES®—the most powerful tech event in the world.

CTA has long supported efforts to reduce industry impacts on climate, and for companies to disclose their climate impacts. For example, CTA issues an Industry Report on Greenhouse Gas (GHG) Emissions, which highlights the collective and individual accomplishments of member companies in reducing greenhouse gas (GHG) emissions year-over-year — both globally and in the U.S. The report is part of CTA's pledge to encourage its members to calculate and publicly disclose their emissions while also recognizing individual company programs and initiatives.

As a representative of companies operating globally across the technology sector, we support the intent of these laws to enhance transparency and climate accountability. However, we respectfully request clarification and flexibility in several key areas to ensure effective and feasible compliance for companies operating across the globe, including in California.

General Comments:
CTA would like to share comments that are general in nature across both programs:

- **Administrative Relief:** CTA is concerned with the additional administrative procedures that California is placing on companies. Many companies are already complying with the European Union's Corporate Sustainability Reporting Directive (CSRD) and other International Financial Reporting Standards (IFRS)-aligned rules existing and emerging globally. CTA requests that CARB consider regulatory relief for companies already

reporting on scope 1 through 3 emissions and IFRS-aligned disclosure requirements. If companies are already reporting there could be assumed compliance with the California requirements, eliminating administrative burden for companies.

- **Revenue Thresholds:** CTA also recommends defining "total annual revenues" as the "net revenue" appearing in an entity's financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). This definition would be more standardized and easier to implement than the 'Gross Receipts' based calculation under the Tax Code.
- **Fees:** CTA members would like the option to combine the fee payments on both SB 253 and SB 262 into one transaction.
    - Additionally, CTA requests clear guidance on the deadline for payment of the SB253 annual implementation fee to help companies budget and ensure compliance.

SB 253 – Assurance Requirements

The statutory requirement for assurance to be "in conformance with the GHG Protocol" sets a high bar that may not align with global practices. Additionally, CTA is concerned about the cost and feasibility of mandatory reasonable assurance. Reasonable assurance significantly increases compliance costs with limited added value. CTA supports the withdrawal of mandatory reasonable assurance in favor of limited assurance, which provides meaningful verification without excessive burden. Limited assurance is sufficient for non-financial information, providing a meaningful level of assurance without adding cost burden for companies.

Additionally, many CTA members work with third-party assurance providers recognized under the International Accreditation Forum (IAF). These providers meet the independence and competency criteria outlined in SB 253 (Sec. (c)(1)(F)(iv)). We request CARB confirm whether such providers would be accepted under SB 253.

SB 253 – Reporting Deadline Flexibility

The proposed June 30 submission deadline for prior fiscal year Scope 1 and 2 emissions reporting poses challenges for companies with non-calendar fiscal years (e.g. fiscal year end dates of January 31, February 28, or March 31). Companies need several months (up to six months) to compile and finalize data, including additional time if disclosure with assurance is required.

CTA requests that CARB allow 180 days from the end of a company's fiscal year for reporting, rather than a fixed calendar deadline. Alternatively, if a fixed calendar deadline is needed, then CARB must accept the most recent fiscal year report available as of June 30, understanding there may be a lag for companies with fiscal years that do not end on December 31 of the prior year.

SB 261 – Reporting Mechanism and Template

We seek clarification on the submission process for SB 261 disclosures:

- Will companies submit reports via a CARB portal or simply post them on their websites and notify CARB?

- Will CARB provide a standardized reporting template for SB 261 disclosures? If so, when will it be released? CTA highly encourages development of a voluntary reporting template that companies can utilize if they choose.

We appreciate CARB's release of a draft checklist for SB 261, but further guidance is needed to ensure consistency and comparability across entities.

Subsidiary Scope Clarification
We appreciate CARB's attempt to clarify the "parent level reporting" but companies remain unclear even with the additional clarification. We request clarification on whether subsidiaries of in-scope parent companies are required to report if they are not listed in the California Secretary of State database. CTA requests clarification on the following:

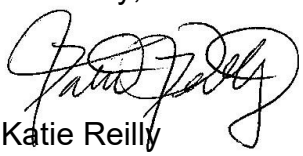
- Will parent companies be required to report on behalf of such subsidiaries?
- Are subsidiaries not listed in the database considered out of scope?

Additionally, in the case of California companies that are privately held subsidiaries of foreign companies not subject to U.S. jurisdiction, can the in-scope subsidiary submit the climate-related financial risk report prepared by the foreign, publicly traded parent to satisfy the requirements of SB 261?

Ideally, companies can use disclosure from headquarters (or parent level) for the required SB253 and SB261 reporting.

Conclusion
We thank CARB for its continued engagement with stakeholders and urge the Board to consider these recommendations to ensure the successful implementation of SB 253 and SB 261.

Sincerely,



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