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September 11, 2025

SENT VIA E-MAIL

Ms. Liane Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**Re: Comments to Inform Implementation of California Climate-Disclosure Legislation:
Senate Bills 253 and 261, as amended by SB 219**

Dear Ms. Randolph:

Thank you for the opportunity to provide comments on the treatment of parent-subsidary relationships in the context of climate disclosures under the rulemaking process for California Senate Bills SB 253 and SB 261. We appreciate the California Air Resources Board's (CARB) leadership in advancing climate transparency and promoting alignment with global reporting standards.

During the August 21 workshop, each time stakeholders raised questions about CARB's intent on reporting consolidation, staff actively invited feedback from businesses with complex structures on how different consolidation approaches might affect their ability to comply. As a multinational company headquartered in the United Kingdom with multiple U.S.-based entities operating in California, Bunzl North America appreciates this opportunity to respond constructively to that request.

We respectfully encourage CARB to consider the diverse and evolving nature of corporate structures when applying the regulations to U.S.-based subsidiaries of foreign parent companies. Given the complexity and variability of multinational arrangements, where subsidiaries may not consolidate under a single U.S. entity, it may be impractical to define rigid reporting pathways. To avoid unintended compliance burdens and interpretive uncertainty, we recommend that CARB proposes regulations that incorporate sufficient flexibility to accommodate a broad range of corporate configurations.

We further recommend that consolidated reporting at the global parent level be accepted for compliance, even when the parent company is domiciled outside of the United States, provided

the disclosures meet statutory requirements for reporting frameworks and assurance. This approach aligns with the legislative intent to promote transparency of global Scope 1, 2, and 3 emissions and climate risks for U.S. entities doing business in California.

We discourage CARB from imposing requirements that would compel businesses to report subsets of global Scope 1, 2, and 3 disclosures solely for California-specific purposes. Doing so would depart from the statutory framework and impose an undue burden, diverting resources away from decarbonization efforts. Any requirement to isolate or repackage portions of global disclosures would introduce complexity and demand additional significant assurance costs for companies already producing robust, third-party verified reports aligned with global standards such as TCFD, ISSB, and the GHG Protocol.

Senator Stern, who cosponsored SB 253 and SB 253, emphasized the growing need for disclosure alignment across jurisdictions during CARB's May 29 workshop, stating that this rulemaking is an opportunity for CARB to "come up with ambitious but also durable reporting frameworks that are going to be able to scale and be interchangeable at a global level." Leveraging global parent company climate disclosures to meet state reporting requirements acknowledges the longstanding commitment of companies that have prioritized climate transparency and allows resources to remain focused on achieving science-based emissions reduction targets. Climate-related financial risks are typically disclosed at the level where financial accountability resides, and parent-level reporting aligns more closely with how investors evaluate risk, performance, and long-term value.

We appreciate CARB's thoughtful consideration of these comments and its continued engagement with stakeholders to ensure that the final regulations are both effective and practical.

Sincerely,

A handwritten signature in black ink, appearing to read "Krista Durlas", written in a cursive style.

Krista Durlas, Climate Manager, Compliance