

Submitted online via [Public Comments to California Climate-Disclosure Information Solicitation | California Air Resources Board](#)

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: Public Comments to California Climate-Disclosure Information Solicitation

Thank you for the opportunity to provide public comments to inform implementation of California Climate Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219. UL Solutions recognizes that mandating environmental, social and governance (ESG) disclosures and reporting would help establish fairer markets for the growing number of investors seeking comparable ESG information.

UL Solutions is a leading provider of testing, inspection and certification services, and complementary software and advisory services, for many industry sectors. This includes a global ESG Advisory and Assurance team, as well as an ESG data management software offering that helps companies meet the reporting requirements of certain mandatory ESG disclosures, such as the Corporate Sustainability Reporting Directive (CSRD), as well as voluntary disclosure schemes like the CDP, Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB), and other global frameworks.

Our comments below are the view of UL Solutions and address select questions that most closely align with our expertise.

General: Standards in Regulation

3. CARB is tasked with implementing both SB 253 and 261 in ways that would rely on protocols or standards published by external and potentially non-governmental entities.

- a. How do we ensure that CARB's regulations address California-specific needs and are also kept current and stay in alignment with standards incorporated into the statute as these external standards and protocols evolve?
- b. How could CARB ensure reporting under the laws minimizes a duplication of effort for entities that are required to report GHG emissions or financial risk under other mandatory programs and under SB 253 or 261 reporting requirements?

To reduce the reporting burden on organizations, the CARB should look to existing standards such as the GHG Protocol and ISSB S2, and reporting frameworks such as TCFD, which are already heavily utilized by organizations with operations in California and will reduce duplication of effort and burden of reporting. Alignment with regulations

in other regions (i.e., EU CSRD) is also advisable to further reduce the reporting burden for multinational companies.

c. To the extent the standards and protocols incorporated into the statute provide flexibility in reporting methods, should reporting entities be required to pick a specific reporting method and consistently use it year-to-year?

GHG Protocol ("GHGP") is currently the most widely used, and referenced, standard for calculating and reporting corporate GHG emissions. Allowing for flexibility will require clear definition of which alternative to GHGP methodologies are permitted. In the absence of such guidance, comparability of GHG Inventories and impact across different companies and/or sectors will be limited.

Existing GHG reporting standards allow for changes in methodology in line with rebaselining guidelines. Where material changes in calculation methodology, or other changes that impact historic emissions then we would recommend following the existing guidance under the GHG Protocol for rebaselining.

SB 253: Climate Corporate Data Accountability Act

7. Entities must measure and report their emissions of greenhouse gases in conformance with the GHG Protocol, 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?

In order to reduce barriers to reporting for new organizations and duplication of effort for organizations already reporting, the flexibility within existing standards should be kept. Following the GHG Protocol standard is optimal.

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.

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" in MRR be utilized, and if not why?

Adopt existing definitions from prevailing assurance standards such as ISO 14064-3, ISAE 3000/3410, AA1000AS.)

9. How should voluntary emissions reporting inform CARB's approach to implementing SB 253 requirements? For those parties currently reporting scopes 1 and 2 emissions on a voluntary basis:

c. What frequency (annual or other) and time period (1 year or more) are currently used for reporting?

Annual, 1 year

e. What software systems are commonly used for voluntary reporting?

Several commercial sustainability platforms exist, including UL Solutions' 360 ESG Reporting Software.

SB 261: Climate Related Financial Risk Disclosure

11. Should CARB require a standardized reporting year (i.e., 2027, 2029, 2031, etc.), or allow for reporting any time in a two-year period (2026-2027, 2028-2029, etc.)?

As reporting maturity differs widely across organizations, and as organizations must respond to different regulations, requirements and stakeholders, allowing for reporting any time in a two-year period will provide the flexibility needed to ensure more and higher-quality responses.

13. Many entities that are potentially subject to reporting requirements under SB 261 are already providing other types of climate financial risk disclosures.

- i. If not consistent with the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosures, are there other laws, regulations, or listing requirements issued by any regulated exchange, national government, or other governmental entity that is guiding the development of these reports?

In addition to TCFD, several standards and frameworks are currently used to different degrees by entities to assess their risk, including those related to climate change (ISO14091:2021; ISO31000; COSO framework, and others).

We appreciate the opportunity to provide comments on this important topic. UL Solutions and its technical experts are engaged in various technical committees across the International Organization for Standardization (ISO), GHG Protocol and other standard-setting organizations. We believe that robust, yet flexible, standardization of reporting requirements would provide a leveled playing field for climate-related impact assessment. We look forward to further collaboration to delve deeper into more specific programmatic details. If you have any questions, please contact Melissa Klein, Federal and State Government Affairs Lead, at Melissa.Klein@UL.com or 202.704.0607.

Sincerely,

/s

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