**Subject: Solicitation Response to Inform Implementation of California Climate-Disclosure Legislation (SB 253 and SB 261)**

Dear California Air Resources Board Team

Thank you for the opportunity to provide comments on how Senate Bills 253 and 261, as revised by SB 219, are executed. This forward-looking bill underlines California's will to address one of the most pressing issues of our day while confirming the state's leadership in worldwide corporate openness related to climate change. California imposes rigorous reporting regulations for greenhouse gas (GHG) emissions and climate-related financial risks, therefore establishing a benchmark for strong and imaginative policy linking environmental stewardship with economic innovation. I value the California Air Resources Board (CARB) for its dedication to ensure a robust, fair, and rigorous implementation process; I would be pleased to provide ideas and analysis to assist to further this important endeavor.

Not merely a legal need, California's climate-disclosure rules offer businesses and policymakers a transformational opportunity. Already starting to impact risk profiles, supply networks, and economies is climate change. SB 253 and SB 261 thus offer a necessary foundation for providing businesses with the tools to effectively control climate-related risks, grab creative potential, and match evolving customer expectations. These disclosures simultaneously empower legislators by providing the data needed to produce informed, equitable, evidence-based climate policies generating major transformation.

Furthermore, this regulation reflects a strategic economic potential rather than merely a need for the surroundings. As the consequences of climate change are more severe, companies and governments that embrace openness and sustainability will get a competitive edge in attracting investment, talent, and consumer confidence. By carefully balancing sustainable economic development as a top priority along with climate risk mitigation, California has the chance to create a scalable and repeatable model for governments all around. This balance helps to support the ambitious state climate targets as Ill as to maintain the viability and competitiveness of businesses.   
  
  
Good application of SB 253 and SB 261 will operate as a catalyst for systemic transformation, helping businesses to increase resilience, create low-carbon economy innovation, and build stakeholder confidence. The law provides legislators with a path to create and carry out climate policies grounded upon accurate, exhaustive, and pragmatic data. These laws taken together will help California to remain leading in global climate policy by offering a road map for how openness, responsibility, and creativity may coexist to achieve a more sustainable and Ialthy future.

I greatly appreciate the opportunity to support CARB in its continuous leadership on these critical issues.

**General: Applicability**

**Defining “Doing Business in California”**

By redefining "doing business in California" under Revenue and Tax Code section 23101, conventional requirements like sales, payroll, and property thresholds will be clearer. This alignment will enable businesses accustomed to these criteria simplify compliance processes and reduce confusion.

Moreover covered in the scope of applicability should be federal and state government entities generating money as well as entities either wholly or partially owned by foreign governments. Climate risks and emissions go across corporate boundaries; equitable responsibility demands that all California economic stakeholders follow these disclosure policies.

**Cost-Effective Identification of Covered Entities**

CARB must combine public and private data sources if it is to correctly identify covered entities:

* Public Records: Using tax filings, company registration databases, and SEC filings, search publicly traded California companies.
* Private Database: Make sure private businesses and subsidiaries are sufficiently recorded by adding insights from trustworthy data sources such as Dun & Bradstreet, Bloomberg, or Orbis.

To provide complete openness across corporate structures, CARB should also mandate that reporting entities especially identify parent-subsidiary relationships. By verifying these links using corporate ownership databases, accuracy will rise and no major organization will be missed.

**General: Standards in Regulation**

**Aligning Standards and Protocols**

California's system of climate-disclosure must strike local relevance against global consistency. While adhering to international standards such as the GHG Protocol and TCFD guarantees fit with extant reporting systems, CARB should establish a standing committee to routinely evaluate and revise reporting criteria to reflect dangers particular to California including water stress and wildfire risk.

Reducing duplicity is another fairly vital goal. Harmonizing its standards with current responsibilities under programs like ISO 14064 and the EPA's GHG Reporting Program will enable CARB to aid businesses to efficiently meet various reporting requirements. Furthermore, entities should be required to use a consistent reporting method for at least three cycles; changes allowed only upon permission and cause.

**Taking a Delicate Balance Approach**

California's implementation strategy calls for carefully balancing lowering climate risk with promoting sustainable economic development. By building conditions that foster inventiveness and investment, CARB can ensure that businesses remain competitive while reducing their environmental impact. By phase-in scope 3 emissions, businesses will have time to adapt and build capacity and contribute to find this balance.

* Providing incentives for early compliance or surpassing reporting criteria could encourage innovation in answers for environmental control of emissions.
* Giving sectors most susceptible to climate change or highest emissions top priority so that targeted and successful policy interventions follow.

**General: Data Reporting**

**Assessing Costs**

To further understand the financial implications of compliance, CARB should aggregate data from businesses already involved in voluntary reporting programs including CDP, GRI, and SASB. Stakeholder surveys help one to have even more awareness of both direct (e.g., third-party assurance, data collecting) and indirect costs (e.g., IT infrastructure, staff training).

**Centralized Reporting with Strategic Outsourcing**  
Direct reports straight to CARB provide data accuracy and centralized oversight. Nonetheless, CARB could consider outsourcing specific technological tasks including assurance and validation in renowned companies like The Climate Registry or Verra. This hybrid technique combines the capabilities of public monitoring with outside knowledge to raise the trustworthiness and quality of collected data.

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

**Standardization of GHG Reporting**

Standardizing the emissions from scopes 1 and 2 across sectors will help to guarantee dependability and comparability. Given their complexity and volatility, scope 3 emissions should be phased in over time and supported by sector-specific advice to enable companies to change. Preventing inequalities and guaranteeing justice depend on consistent boundary-setting—that is, operational control against equity sharing.

**Third-Party Assurance**  
  
Increasing the eligibility of assurance providers to incorporate certifications like ISO 14065 and ISAE 3000 would help to solve any capacity constraints as demand for verification services rises. CARB should also apply the "reasonable assurance" criterion previously set forth under the Mandatory Reporting Regulation (MRR), modifying it as needed to fit the more general reach of SB 253.

**SB 261: Climate-Related Financial Risk Disclosure**

**Timelines for Reporting**   
Standardizing reporting years streamlines control and increases comparability. But flexibility within a biannual window lets companies with different fiscal calendars comply without needless effort. Deadlines should give entities enough time—at least six months—for data collecting, validation, and submission from past years.

**Alignment with Existing Disclosures**  
Many organizations now answer under systems like the EU Taxonomy or TCFD. CARB should guarantee congruence with these current guidelines, therefore providing unambiguous direction to resolve any disparities. California can reduce the reporting load on companies by doing this, therefore optimizing the value of the recorded data for stakeholders and legislators.

**Conclusion**

Adopting SB 253 and SB 261 provides California with an unmatched chance to show how a sensible strategy can simultaneously solve environmental problems and promote economic development. CARB may guarantee this legislation not only models’ other countries but also fosters sustainable innovation by giving transparency top importance, aligning with worldwide norms, and helping businesses in their transition.

The suggestions above try to guarantee that the law balances stakeholder needs with economic reality so fulfilling the great goals. I appreciate you giving some of these ideas some thought. As CARB works on this important project, I appreciate the chance to offer more evidence or take part in more conversations.

Sincerely

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**The Importance of Climate-Disclosure Legislation for Businesses and Policymakers**

Climate change is no longer only a threat; it is an immediate, tangible issue with major effects for ecosystems, people, and companies. The increasingly catastrophic consequences of climate change—including California's horrible wildfire season in 2024—showcase how urgently this disaster has to be solved. As they destroyed houses, displaced hundreds, and caused billions of dollars in economic losses, these flames revealed the flaws in companies, infrastructure, and local communities. In response to these escalating risks, California's Senate Bills 253 and 261—as altered by SB 219—show great first step in ensuring increased corporate responsibility and openness regarding greenhouse gas (GHG) emissions and climate-related financial threats. This law protects the environment as well as provides the foundation for businesses and politicians managing the complexity of a changing climate.

Laws on climate-disclosure provide businesses with a rigorous approach to identify, assess, and reduce climate-related hazards. These risks are two-fold: physical ones like damage from strong storms and transition ones brought on by shifting consumer tastes, legislative changes, and reputational pressure. The physical hazards of climate change are becoming increasingly obvious. High-risk businesses cope with significant disruptions including operational downtime, greater insurance expenses, and declining infrastructure. Companies with significant operational and financial weaknesses lack the tools to assess these hazards properly without open reporting.  
Transitions dangers also need care. More strict climate rules are being enforced by governments all around, and consumer preferences are toward eco-friendly goods and services. Companies who ignore to adapt incur the risk of paying fines to authorities, losing market share, and having stranded assets. By means of a consistent structure, disclosing GHG emissions and financial risks helps businesses match evolving policy and consumer expectation. Their transparency helps them to be more competitive in a low-carbon economy and attracts investors with environmental consciousness. Measuring emissions also usually reveals operational inefficiencies, which offers opportunities for cost cuts, innovation, and enhanced resilience.   
  
  
Corporate transparency also strengthens relationships with politicians, consumers, employees, and major actors including investors. Investors—especially institutional ones—increasingly give Environmental, Social, and Governance (ESG) issues top importance as they distribute funds. Clear climate disclosures enable investors to evaluate a company's long-term viability and risk profile, therefore enhancing the attractiveness of businesses that adopt Senate Bills 253 and 261 to ESG-minded capital markets. Consumers also want businesses to take more accountability. corporations that aggressively disclose their climate risks and show efforts to minimize them would inspire confidence and loyalty among environmentally conscious consumers, even while corporations who ignore to act could suffer reputation damage.

Particularly younger generations of employees are attracted to businesses who more and more reflect their ideals. Openness about climate reflects a company's commitment to sustainability, therefore improving staff morale and retention. Moreover, regular reporting provides a fair playing field so that companies cannot use avoidance of accountability to acquire a competitive edge. Among legislators, the general public, and corporate executives as well, this consistency serves to inspire confidence.

Laws pertaining to climate-disclosure provide legislators with the essential knowledge required to draft just and reasonable laws. The mandatory aggregated disclosures in Senate Bills 253 and 261 give a whole view of California's structural climate risks and emissions scene. This data helps legislators concentrate on industries and places that require most assistance, therefore enabling targeted solutions. Customized incentives or flexible infrastructure funding helps sectors most dependent on water-intensive processes or prone to wildfires, for example. Without consistent corporate disclosures, these steps run the risk of being insufficient or out of line.   
Strong climate data also helps to build economic resilience by highlighting methodical flaws before they turn into disasters. Policymakers with this kind of awareness could design preventative strategies aimed at lower risks to vital sectors such infrastructure. Matching California's disclosure policies with worldwide norms as the Task Force on Climate-Related Financial Disclosures and the GHG Protocol guarantees consistency with respect to world standards. This alignment helps the state to be economically competitive and exhibits leadership in world climate governance.

California's leadership in passing climate-disclosure rules not only addresses local problems but also sets an example for other nations and jurisdictions. Long leading edge in environmental laws, California's ambitious ambitions to achieving carbon neutrality by 2045 demand for coordinated action across all sectors. Demand for corporate climate reporting ensures that businesses will be quite significant in achieving these goals. Moreover, the actions of California affect national and international climate policy frameworks outside of its borders. As other nations adopt comparable policies, the combined effect accelerates the transformation to a sustainable worldwide economy.

One cannot underline the urgency of these policies any more. Already obvious are the costs of inactivity shown by human pain and financial losses brought forth by climate-related catastrophes. Encouragement of openness and responsibility helps Senate Bills 253 and 261 enable businesses, legislators, and society to cooperatively manage climate issues. This law gives businesses opportunities to strengthen resilience, boost efficiency, and build relationships among stakeholders. For legislators, it provides the knowledge needed to design reasonable, equitable, and well-written climate policies. These projects taken together ensure that California maintains its leadership in tackling climate change while protecting its environment, people, and economy.   
Transparency is not only a legal need but also a competitive advantage and a moral obligation in a society defined by developing environmental problems. Senate Bills 253 and 261 demonstrate how legislative action can result in major change therefore ensuring that businesses and politicians are ready to address one of the most pressing issues of our time. Through careful application, these guidelines could serve as a road map for how accountability and teamwork might open the path towards a more sustainable and robust future.

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**Biography**

Jude Chisom Erondu is a seasoned investment professional, strategist, and thought leader in responsible investing and sustainable finance. With a career spanning asset management, corporate banking, and climate finance, he has been at the forefront of integrating ESG principles into investment decision-making, shaping global capital flows toward sustainable outcomes.

Currently, Jude is independently working on a tool aimed at advancing climate finance in emerging markets, leveraging artificial intelligence to enhance carbon attribution and impact-driven investment strategies. Previously, he served as the Director of Responsible Investing at Nuveen, where he played a pivotal role in ESG integration, sustainability-linked investments, and regulatory frameworks, particularly in the European financial sector. His influence extends to policy and international development, aligning with his long-term ambition of leading global financial institutions or serving in a U.S. government cabinet role.

Jude is currently pursuing an Executive MBA at Columbia Business School and is an alumnus of the London School of Economics and Green Mountain College. A recognized voice in climate finance, he has contributed thought leadership on ESG investing, emerging markets, and financial innovation, shaping discussions on sustainable finance within global policy and investment circles.

Outside of finance and policy, Jude values personal connections, culture, and nuanced communication. He has a deep appreciation for art, enjoys thought-provoking conversations, and is passionate about building meaningful relationships.