

CorpGov.net: Corporations are not Democratic-Free Zones

To: California Air Resources Board

Via: <https://ww2.arb.ca.gov/public-comments/public-comments-california-climate-disclosure-information-solicitation>

From: James McRitchie, CorpGov.net, 9295 Yorkship Ct., Elk Grove, CA 95758

Re: Information Solicitation to Inform Implementation of California Climate-Disclosure

Legislation: Senate Bills 253 and 261, as amended by SB 219

CorpGov.net applauds the California Air Resources Board's (CARB) solicitation of feedback to inform the implementation of SB 253 and SB 261, as amended by SB 219 (collectively the "California Laws").

The CA Laws are reasonable in scope and satisfy the urgent need to provide investors and consumers with standardized, high-quality disclosures of companies' climate-related financial risks. We urge CARB to implement rules with an eye toward practical implementation that produces good quality information and easily accessible data.

Since 1995 CorpGov.net provided news, commentary, and a network for those interested in transforming the arcane subject of corporate governance, discussed at a snail's pace in academia and by a few dozen practitioners, to a more practical discipline where knowledge is shared and put into practice by investors and corporations at closer to the speed of light. Through our family office, we also manage more than \$1 million in corporate stock, much of it in California-based companies.

CARB has an opportunity to align with global climate reporting standards and regulations, which also are adopting mandates adhering to the GHG Protocol and the Task Force on Climate-related Financial Disclosures (TCFD) framework. These have been incorporated into the [International Financial Reporting Standards \(IFRS\) S2](#) Climate-related Disclosures, endorsed by the International Organization of Securities Commissions (IOSCO). As a whole, we support the [International Sustainability Standards Board \(ISSB\) Standards](#) issued by the IFRS Foundation as global baseline disclosures on sustainability issues that are material to investors, and welcome future improvements to that baseline as relevant information develops.

We support the following key policy principles of the California Laws, which will accelerate and streamline the development of regulations in line with their legislative intent and drive successful implementation.

Ensure Robust Reporting: Full scope emissions disclosure is critical, including corporate value chain emissions. According to CDP & HSBC's 2024 "[Strengthening the Chain](#)" report, corporate supply chain emissions are on average 26 times higher than operational emissions. Climate disasters like the recent wildfires in Southern California are devastating communities and undermining California's economy, illustrating the rising importance of climate risk reporting. Companies must be transparent in identifying the ways in which they are vulnerable and what they are

doing about it. CARB should resist efforts to lessen the rigor of reporting on emissions and climate risks.

Adhere to Widely Adopted Reporting Standards: The California Laws identify the GHG Protocol, TCFD, and ISSB as a basis for climate reporting. These internationally recognized standards are already the basis for mandatory and voluntary corporate reporting frameworks worldwide. Strong adherence would reduce compliance burdens and ensure a seamless global alignment for corporate reporting.

Prioritize Public Access to Data and Information: California investors, consumers, and other stakeholders deserve transparency from companies regarding climate-related information. It is important that CARB ensures that the GHG emissions data and climate risk information reported by companies is made available in a way that allows the public to develop knowledge and insights that can empower them as consumers and market actors. SB 253 emphasizes the importance of data access and democracy, and California can lead on emissions transparency. Investors have been calling for increased disclosure around climate-related risks and other long-term systemic risks for decades because we recognize the impact these factors have on our financial returns. We take a systemic approach to investing and to corporate governance.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "J. McRitchie", with a horizontal line extending to the right.

James McRitchie
Shareholder Advocate and Publisher
CorpGov.net