California Air Resources Board

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March 21, 2025

**RE: Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219.**

Verdis Group is a sustainability and climate action consulting firm with clients that fall within the established reporting thresholds of SB 253 and 261.

We applaud CARB for providing a transparent and accessible means for organizations beholden to the enacted legislation to comment on the processes and guidelines for ensuring adherence. We have reviewed CARB’s posted questions and identified ones that fall within our specific areas of expertise. Our responses are as follows:

**Question 6.**

Our firm, Verdis Group, is a private company that provides third-party greenhouse gas emissions accounting, verification, and climate risk and sustainability reporting services. As a certified B Corporation, we provide customized climate action plans and regenerative environmental consulting to help organizations achieve their sustainability goals. We have been delivering sustainability and climate action consulting services for over 15 years and have witnessed the rapid expansion of the industry.

**Question 7.**

It is our recommendation that all covered entities should be required to include Scope 3 Category 3: Fuel and Energy-Related Activities (FERA) emissions within their operational boundary. The fossil fuel industry’s significant contribution to global greenhouse gas emissions is not limited

to the point source emissions generated from the combustion of these fuels. Therefore, Scope 1 and Scope 2 emissions do not fully reflect the environmental impact of an entity’s demand for fossil fuels; it is essential to account for the upstream emissions associated with the extraction, transportation, and processing of fossil fuels.

Additionally, measuring FERA emissions further incentivizes entities to curtail fossil fuel consumption. As covered entities work to decarbonize operations, their FERA emissions will subside, therefore increasing the observed “return” in terms of measured gross emission reduction as a result of the transition.

**Question 9c.**

Annual reporting is considered best practice and is the most common approach, particularly for organizations with emissions reduction targets in place. Annual emissions accounting is required for organizations participating in voluntary decarbonization initiatives such as SBTi. The typical reporting period is 12 months and may reflect either calendar or fiscal year.

**Question 9d.**

Typically, comprehensive emissions data does not become available until approximately three months following the end of the reporting period.

**Question 10.**

Based on our experience, one full year is the ideal allowance of time to complete a TCFD-aligned climate-related financial risk disclosure covering the prior year’s data. Requiring that completed disclosures be submitted by December 31st will allow flexibility for companies that experience significant seasonal fluctuations in workload to complete the reporting during a period of time that best aligns with the availability of key staff members.

Thank you for the opportunity to provide input on this critical climate disclosure legislation. We appreciate CARB’s commitment to transparency and environmental responsibility.

Sincerely,

Craig Moody, Managing Partner

Megan Belongia, Analytics Team Coordinator