

March 21, 2024

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

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

Dear Chair Randolph,

We write in support of the California Air Resources Board (CARB) to implement climate disclosure legislation Senate Bills 253 and 261, as amended by Senate Bill 219. When implemented, the proposal will improve corporate accountability and promote transparency for investors.

The [Coalition on Inclusive Economic Growth](#) represents businesses, investors and nonprofits, all of whom are dedicated to prioritizing a set of commonsense yet transformative recommendations for government action to refocus our economy so that it works for all Americans. Members of our coalition will also submit individual comments offering more technical recommendations, including places where CARB could improve upon and strengthen the proposed rule.

These climate-related disclosures are important steps to protect investors, recognize the effects of climate risk on the economy, and encourage private action to reduce air pollution. This law is also responsive to investor and public demands and lays the groundwork for alignment with global regulatory peers who have made strides toward mandated, standardized climate-related financial disclosures.

Climate change poses significant and systemic risks to investment portfolios and the financial stability of the capital markets.<sup>1</sup> Accordingly, investors require access to clear, timely and comparable climate data, and businesses are increasingly recognizing the importance of measuring and disclosing their impacts on a broad set of stakeholders. We are supportive of the law's inclusion of disclosures on companies' Scope 1, 2 and 3 greenhouse gas emissions, all of which are necessary for investors to understand the full extent of a company's exposure to climate risks.

As a Coalition, we are continuing to advocate for similar regulations in other jurisdictions across the country to help strengthen the corporate disclosure regime. We believe that it is important that CARB strives to maximize interoperability with other mandatory programs and reporting requirements in place now and going forward. Cooperating with other regulatory and standard-setting organizations to publish supporting guidance for companies in their disclosure will not

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<sup>1</sup> Financial Stability Oversight Council, "[Report on Climate-Related Financial Risk](#)," 2021.

only strengthen the disclosure work being done, but it will also ease the burden on companies as more requirements are put into place.

For decades, the rules and regulations governing the financial markets have constrained American economic innovation and competitiveness by hampering investors' consideration of long-term factors and systemic risk. This law represents an important step forward in better enabling businesses and investors to account for climate-related risks, impacts and opportunities in a transparent and meaningful way.

Thank you for the opportunity to provide comment. We look forward to engaging with the Board throughout the rulemaking process to ensure a strong final rule.

Sincerely,

Coalition on Inclusive Economic Growth