

March 21, 2025

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

CC: Senator Henry Stern, Senator Scott Wiener

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

Dear Chair Randolph and Staff,

Vert Asset Management welcomes the opportunity to respond to this information solicitation on Senate Bills 253 and 261.

Vert Asset Management is a sustainability-focused asset manager. We evaluate environmental, social and governance metrics in a disciplined rules-based process to deliver funds that achieve investors' twin goals of sustainability and market rates of return. Our clients are primarily financial advisors. We currently manage the Vert Global Sustainable Real Estate ETF with \$412 million AUM (as of December 31, 2024) that invests in publicly traded real estate investment trusts (REITs) globally.

In investments, data drives decisions. As sustainability investors, we look at additional environmental material metrics in real estate such as Scope 1, Scope 2 (both location- and market-based), and Scope 3 emissions; in addition to climate risks including heat-stress and sea-level rise risks. We actively engage with our holdings.

Back in 2018, when the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) was still in its trial phase, we reached out to every company in our portfolio to say, *"Hey, this TCFD framework? It's a game-changer."* Why? Because clear, standardized disclosures make it easier for investors like us to make informed decisions — and they help companies integrate climate risk into their business operations through thoughtful planning of governance, strategy and targets.



Today, voluntary reporting frameworks are overwhelming corporate sustainability teams. As a result, companies risk spending more money and time on building bloated reporting teams than investing in real strategic action. We are supportive of mandatory disclosure rules if they are consistent. The key is consistency: reliable data that is comparable and decision-useful, without companies getting bogged down in duplicative paperwork.

We believe California's SB 253 and 261 are a step in the right direction, codifying tried-and-tested market-backed reporting frameworks.

We strongly urge CARB to prioritize alignment with the International Sustainability Standard Board (ISSB) Standards issued by the IFRS Foundation and the EU Corporate Sustainability Reporting Directive. Any new reporting requirement should streamline, not stifle. We want companies spending less time filling out forms and more time investing in innovation and efficiency.

Sincerely,

A handwritten signature in black ink, appearing to be "Sarah Adams", written in a cursive style.

Sarah Adams
Chief Sustainability Officer
Vert Asset Management