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To: The California Air Resources Board (CARB)

E-mail: climatedisclosure@arb.ca.gov

Date: March 21, 2025

Subject: Consultation Submission: Inform Implementation of California Climate-Disclosure Legislation, Senate Bills 253 and 261, as amended by SB 219

Dear Madam/Sir,

On behalf of ESG Book, we appreciate the opportunity to provide feedback to CARB on developing approaches to implement California Climate-Disclosure Legislation, Senate Bills 253 and 261, as amended by SB 219. We welcome California's decision to enhance transparency on the disclosure of greenhouse gas (GHG) emissions and climate related financial risks through these pieces of legislation.

We hereby submit our feedback to the questions and provide information solicited as part of the consultation process as follows:

3. CARB is tasked with implementing both SB 253 and 261 in ways that would rely on protocols or standards published by external and potentially non-governmental entities.

- a. How do we ensure that CARB's regulations address California-specific needs and are also kept current and stay in alignment with standards incorporated into the statute as these external standards and protocols evolve?
- b. How could CARB ensure reporting under the laws minimizes a duplication of effort for entities that are required to report GHG emissions or financial risk under other mandatory programs and under SB 253 or 261 reporting requirements?

Feedback: To ensure CARB's regulations address California-specific needs while staying aligned with evolving external standards and minimize the duplication of effort for entities, the agency should develop interoperability with global standards such as the ISSB by adopting a dynamic, hybrid approach that prioritizes both local relevance and global consistency.

The ISSB standards serve as the global baseline for sustainability reporting, enhancing transparency and usability of sustainability information for investors. Decision-useful, comparable, and consistent data is critical. CARB should develop a formal review process to evaluate external standards and assess their applicability to California's climate goals such as equity mandates, wildfire resilience, or water scarcity challenges. The agency should add supplemental requirements that suit its needs and targets. To maintain alignment, CARB could embed version-tracking mechanisms in its rules, such as automatically adopting minor technical updates from external standards while requiring Board approval for major changes.

Furthermore, to minimize duplication for entities reporting under SB 253, SB 261, and other programs, CARB should harmonize definitions (e.g., GHG scopes, risk metrics) with widely adopted frameworks like the GHG Protocol, SBTi and ISSB, enabling companies to reuse existing data. The modular reporting templates would let companies submit standardized sections alongside California-specific supplements.

The ISSB has already been fully adopted by eight jurisdictions and will begin applying to companies and financial institutions across jurisdictions from 2025, covering an expected circa 130,000 reporting entities. According to ESG Book's ISSB adoption tracker, 34 jurisdictions have either fully adopted, partially incorporated, or committed to adopting the ISSB standards through official plans or regulatory processes. Given this global momentum, aligning the regulations with the ISSB standards would promote consistency and comparability of sustainability information across jurisdictions. Such alignment would also help companies meet international investor expectations and regulatory requirements, reducing fragmentation and streamlining compliance efforts.

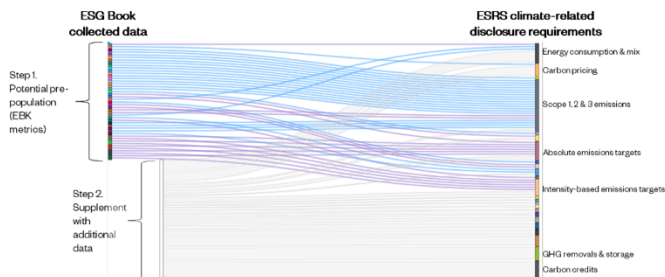
Our disclosure utility platform also supports key framework such as the ISSB and ESRS, ensuring companies can comply efficiently with multiple regulatory requirements. By promoting standardization and alignment, we empower companies to navigate evolving regulations while maintaining high-quality, comparable ESG disclosures.

A key focus for global regulators is achieving comparability across entities and jurisdictions, which is crucial for attracting foreign capital and managing cross-border activities. Aligning with the ISSB standards helps reduce regulatory fragmentation and provides a passporting mechanism to align various reporting regimes, aiding companies and investors.

Smart Pre-fill

The convergence of sustainability standards highlights common reporting themes across dominant standards. ESG Book's Smart Pre-fill tool enables seamless transfer of data across one framework to another.

Start your disclosure journey: Pre-fill data from 400+ ESG Book proprietary metrics



Organize your data across multiple frameworks: Pre-fill data between 10+ dominant frameworks

	ESRS	ISSB	GRI	LEO
ESRS		3.1%	14.6%	61.7%
ISSB	4.6%		4.6%	57.5%
GRI	43.4%	0.7%		4.3%
LEO	2.4%	1.5%	0.7%	

Consistency across frameworks

Fig 1. ESG Book Smart Pre-fill functionality

5. Should the state require reporting directly to CARB or contract out to an “emissions” and/or “climate” reporting organization?

6. If contracting out for reporting services, are there non-profits or private companies that already provide these services?

Answer: Contracting SB 253 and SB 261 reporting to a qualified third-party organization offers California strategic advantages, including access to specialized expertise, reduced costs and accelerated implementation.

ESG Book fully supports harmonization with leading frameworks and standards, such as CSRD, ESRS and ISSB, among others. This reduces the reporting burden for companies and promotes consistency and comparability of disclosures. Our solution also directly supports providing high-quality, standardized emissions and transition data critical for assessing corporate alignment with emission targets. Our dataset includes reported and estimated Scope 1, 2, and 3 emissions, material Scope 3 categories, and disclosure quality indicators, ensuring transparency and comparability across industries. By facilitating efficient access to emissions data and net zero analytics, we help stakeholders integrate climate risk assessments into decision-making, comply with regulatory requirements, and drive measurable transition-related outcomes.

We appreciate the opportunity to contribute to this consultation and remain available for further discussions. Please do not hesitate to contact us should you require any additional information.

Sincerely,

Dr. Inna Amesheva

Director ESG Research, Head of Regulatory Solutions

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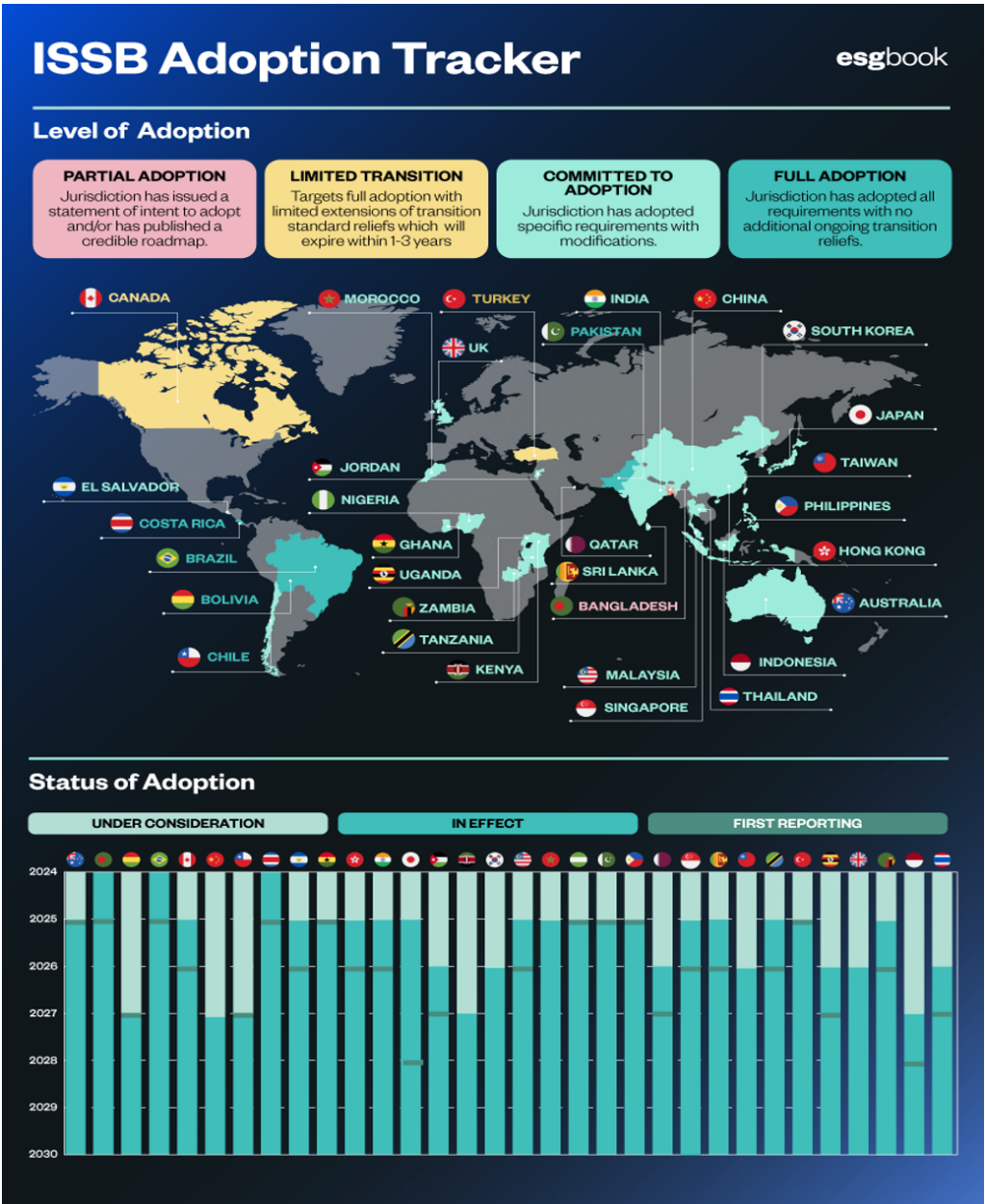
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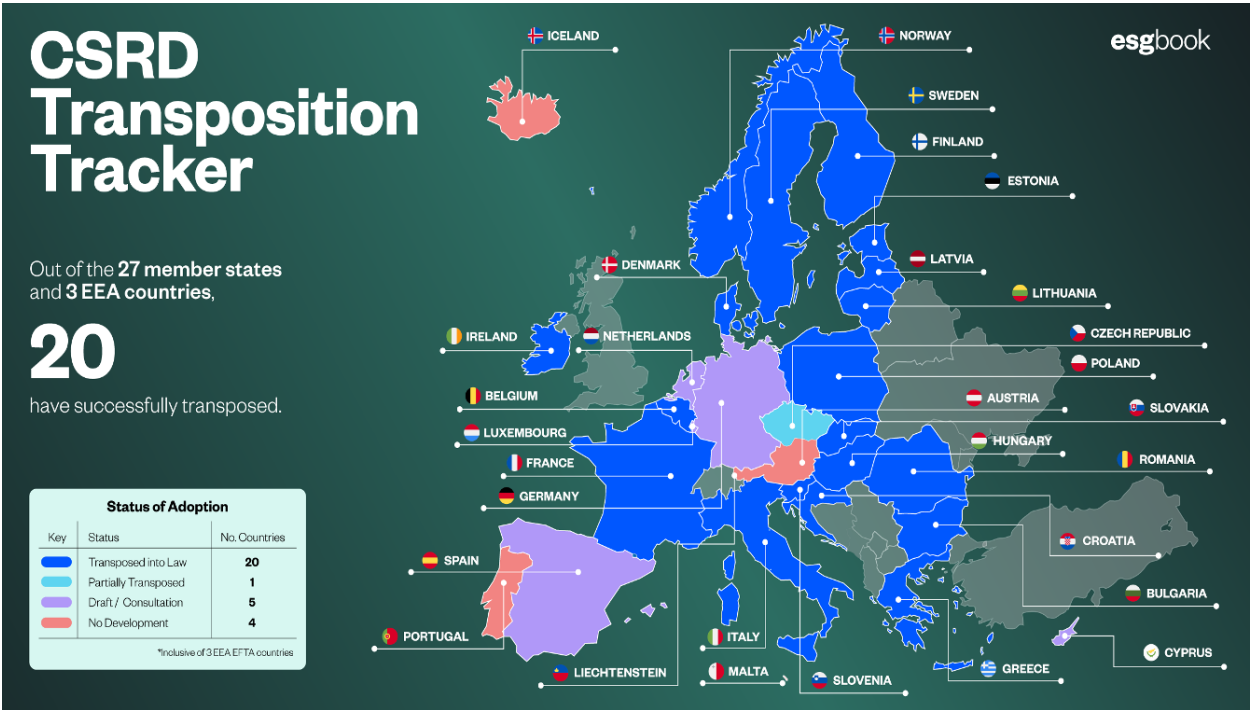
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Appendix

1. ESG Book ISSB Adoption Tracker (Last updated on 04.03.2024)



2. ESG Book CSRD Transposition Tracker (Last updated on 04.03.2025)



3. Expanded Climate Metrics

Decarbonisation Analytics*

45,000 companies assessed comprehensively on reporting quality, climate impact and target alignment using the latest IEA scenarios benchmark data.

The Challenge

Lack of clear, granular and forward-looking data for investment and capital allocation decision-making.

Our Solution

Decarbonisation Analytics Suite

A suite of analytics focusing on three distinct but complementary pillars that provides insight into the decarbonization trajectory and goals of 45,000+ companies, for 11 years of history from 2013 till present.

Reported emissions data is supplemented by estimated emissions allowing for a wider universe coverage.

Enhanced Granularity

Intermediate data such as the Net Zero benchmarks, historical trends and latest targets data are also included within the outputs, allowing users to chart progress over time.

ESG Book Platform

A cloud based technology platform hosting 155,000+ corporate disclosures, which can be used to request emissions data directly from companies.

Pillar 1: Emissions Reporting Quality

Assess if companies are reporting all their emissions, in particular, their material Scope 3 emissions.

Scope 1 emissions +1

Scope 2 emissions +1

Scope 3 emissions +1

Material Scope 3 emissions +1

Pillar 2: Net Zero Alignment ITR Score

Intermediate data such as the Net Zero benchmarks, historical trends and latest targets data are also included within the outputs, allowing users to chart progress over time.

Pillar 3: Target Alignment Assessment

Understand the short-term and long-term targets of companies and assess if companies are on track to meet their target based on their current emissions and emissions trends.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Our Value Proposition

Depth & Breadth

ITR scores for over 45,000+ companies for 11 years of historical data from 2013, covering 99% of top global indices.

Granular

Easy access to all contextual information used in the scoring process, including material Scope 3 categories identified, scenario benchmarks used and targets data.

Modular

Pillar-based structure allows easy addition and version upgrades when new datasets become available, for example, integrating transition-based metrics in the methodology.

Technology

Access and peer benchmark data on our platform. Supplemented with estimates from our machine learning model.

Decarbonisation Analytics*

45,000

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Who we are

Launched in 2018, ESG Book offers a wide range of sustainability related data, scoring, and technology products that are used by many of the world's largest investors, financial institutions, and corporates.

Covering over 50,000 companies, ESG Book's product offering includes ESG and climate data, company-level and portfolio-level scores, and analytics tools. ESG Book's SaaS data management and disclosure platform enables companies to own their own data and disclose directly to stakeholders in real-time against multiple frameworks.

ESG Book's market-leading solutions are used by clients including Bloomberg, BNY Mellon, Citi, Dow Jones, HSBC, Google Cloud, JP Morgan, and Nasdaq.

Use Cases



Tracking Net Zero Commitments

Evaluate progress on net zero commitments using the ITR analytics, including assessing companies' progress against their committed targets through the target alignment metrics.



Peer Benchmarking

Easy-to-use analytics to compare the reporting quality and climate impact between peers within the same or across industries.



Portfolio Management

Identify companies to include/exclude to meet fund objectives e.g. being aligned with a 1.5°C warming pathway



Business Strategy & Risk Management

Quantify the climate risk of underlying holdings for internal climate stress testing and feed downstream analytics.



Engagement and Stewardship

Identify companies with poor reporting or which are not aligned with their target commitments for further engagement, e.g. to be aligned with mandatory reporting requirements under the Corporate Sustainability Reporting Directive (CSRD).

Learn More

For more information on ESG Book, visit www.esgbook.com or call us on +44 20 7113 3503.

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