Amkor Feedback on California Climate Disclosure Law

1. **Should CARB adopt the interpretation of "doing business in California" found in the Revenue and Tax Code section 23101?**

   We believe this interpretation is too broad for SB-219 and may result in overburdening small companies in California. Instead, we recommend adopting a more reasonable approach that sets specific criteria for companies to determine whether they need to comply with the law.

   In broad alignment with other regulations, such as the EU Corporate Sustainability Reporting Directive (CSRD), we recommend considering California-based financial and employee headcount criteria to determine if a company is subject to compliance. The following are suggestions for key thresholds, and we recommend that all three criteria for revenue, assets, and employee headcount be met to determine if a company needs to comply:

   - Revenue: Companies with annual revenue exceeding a certain threshold, such as $50 million. The revenues should be generated from business in California, not elsewhere.
   - Asset: Companies with annual physical and long-term assets, specifically property, plant, and equipment, exceeding a certain threshold, such as $25 million. These assets should be located in California, not elsewhere.
   - Employee Headcount: Companies with a headcount of more than a certain number of employees, such as 1,000 employees, located in California.

   If a company has multiple entities in California, the revenue, assets, and headcount should be aggregated to determine if the threshold is met. This method simplifies the scoping criteria, avoiding overburdening small companies while ensuring that the most significant entities are covered for compliance.

   By focusing on financial criteria and employee headcount, CARB can effectively identify companies with significant climate-related financial risks and drive meaningful environmental positive change in collaboration with industry and other broader stakeholders.

2. **Reporting Deadline** - We recommend setting the reporting deadline to Q3 or Q4 of each year. We strongly recommend against setting a reporting deadline in January of each year. There is not enough time to collect the data, calculate it, and have it assured by a third-party assurance provider in January. Setting a Q3 or Q4 deadline also aligns with the reporting deadline of other standards, such as the CDP (formerly known as Carbon Disclosure Project) reporting date, which falls in September of each year.

3. **Assurance Standards** - We recommend that the ISO 14064 standard be acceptable for independent third-party assurance. The ISO 14064 standard is a best practice for verifying greenhouse gas emissions data and is widely recognized globally.