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1. Regarding Reporting Entities

1.1. Request for additional criteria beyond revenue for determining entities subject to disclosure

- It appears excessive to impose disclosure obligations on companies that only perform sales functions, have no production facilities, or operate with a relatively small number of employees.
- In particular, for companies that operate only office facilities, both the climate-related financial impacts and the level of GHG emissions are likely to be limited, and in such cases, the benefits of disclosure may be minimal compared to the effort and resources required to comply.
- Therefore, we respectfully request that you consider introducing additional criteria, such as an employee headcount threshold (as seen under the EU CSRD) or limiting the disclosure obligation to companies that operate production facilities.

1.2. Request for detailed guidance on entities exempt from reporting

- For entities whose first-year disclosure obligation under SB 253 is exempt, it will be important to avoid any misunderstanding that they have failed to comply with the 2026 disclosure requirements. To this end, we request that clear guidance be provided so that such entities may submit a statement in lieu of disclosure by the GHG emissions disclosure deadline of August 10.
- We therefore kindly request the early finalization and publication of detailed requirements for the submission of such statements (for example, the submission deadline, the information that must be included in the statement, and the method of submission).
- In addition, we would like to ask whether there are any plans to introduce similar exemption conditions under SB 261 as those under SB 253.

2. Regarding the Reporting Scope

2.1. Reporting approach when the parent company submits consolidated disclosure

- Where a parent company located outside California submits consolidated disclosure that includes subsidiaries subject to SB 253 and SB 261, it would be helpful to have clear rules on whether California based subsidiaries may simply be covered by the consolidated information, or whether their information must be explicitly broken out and reported separately within the same report.

3. Regarding SB 253

3.1. Request for information on the launch schedule and user guidance for the disclosure platform

- We would appreciate detailed guidance on the planned launch schedule of the disclosure platform and on how California based subsidiaries can submit their information using the consolidated disclosure prepared by the parent company, including how such submissions would be handled via the platform.

3.2. Request for clear rules on the use of GWPs

- With respect to the Global Warming Potentials (GWPs) to be used in calculating GHG emissions, we believe it is necessary to clarify whether entities are required to use the latest available GWP values or may select among different versions at their discretion.

3.3. Request for consideration of a one-year deferral of Scope 3 disclosure for entities exempt from 2026 reporting

- For entities exempt from 2026 disclosure whose GHG emissions measurement systems are not yet fully in place, it may be practically challenging to report Scope 1, Scope 2, and Scope 3 emissions together in 2027.
- Accordingly, we respectfully request that you consider granting entities exempt from 2026 disclosure an additional one year deferral for Scope 3 reporting, so that they would begin disclosing Scope 3 emissions from 2028 instead.

3.4. Request for guidance regarding GHG emissions verification bodies

- For companies measuring and verifying their GHG emissions for the first time, it can be difficult to assess which verification bodies are sufficiently reliable. It would be very helpful if you could provide a list of verification bodies within California that meet the appropriate qualifications and competencies.

4. Regarding SB 261

- We understand that CARB plans to review the climate related financial risk reports disclosed by companies under SB 261. If CARB could publish the criteria or examples that would be used to determine whether a disclosure is considered inadequate or not made in good faith, this would greatly assist companies in preparing their reports in a thorough and diligent manner.