

No. 25-5327

**In the United States Court of Appeals
for the Ninth Circuit**

UNITED STATES OF AMERICA CHAMBER OF COMMERCE, et al.,
PLAINTIFFS-APPELLANTS,

v.

LIANE M. RANDOLPH, in her official capacity as Chair of the
California Air Resources Board, et al.,
DEFENDANTS-APPELLEES.

ON APPEAL FROM THE U.S. DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

**BRIEF OF AMICUS CURIAE CERES, INC.
IN SUPPORT OF DEFENDANTS-APPELLEES**

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RULE 26.1 CORPORATE DISCLOSURE STATEMENT

Under Federal Rule of Appellate Procedure 26.1, Ceres, Inc. discloses that it has no parent corporation, issues no stock, and that no publicly held corporation has an ownership interest of 10 percent or greater.

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Cal. Health & Safety Code § 38533	<i>passim</i>

IDENTITY AND INTEREST OF AMICUS CURIAE¹

Ceres is a nonprofit, nonpartisan organization that works with influential capital market leaders—investors, companies, and regulators—to build a just and sustainable economy. For more than three decades, Ceres has advanced market-based and policy solutions that enhance the transparency and reliability of corporate disclosures and strengthen climate-related financial risk management.

Ceres has been closely engaged in the development and implementation of California’s climate risk disclosure laws, facilitating multi-sector roundtables, synthesizing company and investor feedback to inform the California Air Resources Board’s implementation, and promoting interoperability with other disclosure regimes. Ceres files this brief to underscore the breadth of investor and corporate support for the Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Act (SB 261), the market’s readiness to comply, and the critical role standardized disclosures play in protecting investors, improving market functioning, and enabling economy-wide risk management.

¹ No person other than Ceres and its counsel drafted or contributed money for preparing or submitting this brief. All parties have consented to the filing of this brief.

INTRODUCTION AND SUMMARY OF ARGUMENT

California’s climate risk disclosure laws are built on the premise that when investors and markets receive consistent, comparable information about corporate emissions and climate-related financial risk, capital can be allocated more efficiently, and companies can manage risk more effectively. SB 253—the Climate Corporate Data Accountability Act—requires companies with more than \$1 billion in annual revenue that do business in California to disclose Scope 1, Scope 2, and Scope 3 greenhouse gas (“GHG”) emissions. Cal. Health & Safety Code § 38532. SB 261—the Climate-Related Financial Risk Act—requires companies with more than \$500 million in annual revenue that do business in California to publish biennial reports describing material climate-related financial risks they have identified, and any measures adopted to reduce and adapt to those risks. Cal. Health & Safety Code § 38533. Both statutes fit comfortably within longstanding disclosure traditions and deliberately harmonize with other disclosure frameworks to reduce friction and enhance usability across markets.

Plaintiffs—trade associations led by the U.S. Chamber of Commerce and joined by the California Chamber, the American Farm Bureau Federation, and regional business groups—brought a facial First Amendment challenge and sought a preliminary injunction to halt these laws before implementation. The district court correctly denied the preliminary injunction motion as Plaintiffs are not likely to

succeed on the merits. The district court held that SB 253 and SB 261 regulate commercial speech in a manner appropriately tailored to the substantial State interest (among other interests) of ensuring that investors receive reliable information about the impact of climate-related risks. Important to the district court’s analysis were its findings that SB 253 and SB 261 require disclosure of commercial data that many businesses already disclose because it is in their economic interest, and which investors and other stakeholders consider relevant to long-term business success.

During the legislative process, significant portions of the corporate and investment community expressed strong support for passage of both bills. In addition, market participants had the opportunity to comment to the California Air Resources Board (“CARB”) on the proposed regulations to implement SB 253 and SB 261. Ceres has collected and reviewed those comments. Ceres found that only 9% of all comment letters expressed opposition to the laws. Roughly 59% were supportive, while 32% were neutral, technical submissions.

ARGUMENT

I. The Disclosures Mandated by SB 253 and SB 261 Are Vital to Businesses and Investors

When challenged under the First Amendment, laws compelling speech are typically reviewed under strict scrutiny unless the speech is commercial in nature. *NetChoice v. Bonta*, 113 F.4th 1101, 1119 (9th Cir. 2024). Compelled

disclosures are commercial where “they provide market participants with information to facilitate future commercial transactions.” *Pharm. Rsch. & Mfrs. of Am. v. Stolfi*, No. 24-1570, 2025 WL 2448851, at *15 (9th Cir. Aug. 26, 2025) (“PhRMA”). The district court correctly held that SB 253 and SB 261 regulate commercial speech, as they require disclosure of commercial information that many businesses already disclose because it is in their economic interest to do so, and which investors and other stakeholders consider relevant to long-term business success. 1-ER-21-23.

In addition, the district court correctly held that the State has a substantial interest in providing reliable information enabling investors to make informed judgments about the impact of climate-related risks on their economic choices, and that investors want and depend on these disclosures. 1-ER-30-32, 39. *See also Edenfield v. Fane*, 507 U.S. 761, 769 (1993) (“there is no question that [the state’s] interest in ensuring the accuracy of commercial information in the market-place is substantial.”); *PhRMA*, 2025 WL 2448851, at *18 (“The State has a substantial interest in reducing [informational] asymmetries, facilitating informed commercial transactions, and improving the efficiency of the pharmaceutical market.”).

These conclusions, relevant to the district court’s determination and application of the appropriate level of review under the First Amendment, are

bolstered by the expression of support the business and investor community gave in connection with the development, passage, and implementation of SB 253 and SB 261. Industry stakeholders across sectors urged enactment of standardized emissions and climate-risk reporting because fragmented, voluntary disclosures impede efficient capital allocation and risk management.

A. Businesses and Investors Voiced Support for Passage of SB 253 and SB 261

When the California legislature was considering SB 253 and SB 261, numerous companies, institutions, and industry groups publicly advocated for one or both bills, demonstrating significant corporate support for standardized and consistent reporting requirements. Companies voicing their support for one or both bills ranged across multiple sectors and industries.

Fifteen companies, including Microsoft, Adobe, Dignity Health, IKEA USA, Patagonia, and Sierra Nevada Brewing, submitted a letter to California lawmakers in support of SB 253.² Their letter stated, in part,

Climate change poses a significant risk to our long-term economic success, impacts the health and livelihood of the communities in which we operate and live, and disrupts the value chains on which we rely.

² Letter to Assembly Appropriations Committee Chair Chris Holden (Aug. 14, 2023), <https://perma.cc/8C72-437A> (last visited Oct. 20, 2025). This letter was submitted on behalf of the following companies: Adobe, Atlassian, Avocado Green Brands, Bonterra Organic Estates, Dignity Health, EILEEN FISHER, Everlane, Grove Collaborative, IKEA USA, Microsoft, Patagonia, Recology, REI Co-op, Sierra Nevada Brewing, and Seventh Generation.

However, the full picture of corporate climate emissions currently remains fragmented, incomplete, and unverified.

SB 253 would . . . allow the largest economic actors to fully understand and mitigate their harmful greenhouse gas emissions.

Fourteen companies, including Microsoft, Avocado Green Brands, DSM North America, and Patagonia, submitted a letter to lawmakers in support of SB 261.³ Those companies wrote, in part,

With SB 261, increased disclosure of the material and systemic risks of climate change will . . . help us better understand, price, and manage climate risks as well as take advantage of climate opportunities . . .

We want to invest in climate disclosure analysis and reporting because we expect a return: ignoring the risks we face would be very costly, while finding the path towards a net zero future offers economic stability and growth.

Notably, many of the signers of this letter – such as IKEA and Microsoft -- are headquartered and incorporated outside California. Additionally, large companies such as Salesforce⁴ and Apple⁵ issued their own statements in support of SB 253, as

³ Letter to Chris Holden, Chair of Assembly Appropriations Committee (Aug. 14, 2023), <https://tinyurl.com/k6zb3h8a> (last visited Oct. 20, 2025). This letter was submitted on behalf of the following companies: Alter Eco, Atlassian, Avocado Green Brands, Bonterra Organic Estates, DSM North America, EILEEN FISHER, Everlane, Grove Collaborative, Microsoft, Patagonia, REI Co-op, Seventh Generation, Sierra Nevada Brewing Co, and VF Corporation.

⁴ Letter to Chair of Assembly Natural Resources Committee Luz Rivas (June 30, 2023), <https://perma.cc/3USV-ZS8Y> (last visited Oct. 20, 2025).

⁵ Letter to Senator Scott Wiener (September 7, 2023), <https://perma.cc/XH6K-JBMS> (last visited Oct. 20, 2025).

did fashion industry groups⁶ including the American Apparel & Footwear Association, the Accessories Council, The Council of Fashion Designers of America, and Fashion Makes Change.

These statements were not the first expression of corporate support for climate disclosure policies in California; rather, they marked the continuation of a longer record of advocacy from both companies and investors. In January 2022, seven companies wrote to California Senate leadership in support of SB 449, the predecessor to SB 261:

As leading businesses and institutions, we know that consistent, comparable, and reliable information at scale is necessary to fully assess our risk exposure and to navigate the path to a net-zero future... This is why we support mandatory disclosure of climate risks.⁷

This complemented a parallel effort in January 2022 by more than thirty institutional investors with over \$365 billion in assets under management or supervision, who wrote to Senate leadership:

In order to address the climate crisis, more and higher quality disclosure is needed. Informed and smart decision-making on climate change is hampered by inadequate disclosures and we cannot make good financial decisions without good information... the current voluntary approach is often inadequate, and is not providing the comprehensive, decision-useful information needed to ensure a sustainable, resilient,

⁶ *Industry Groups Support California Climate Accountability Act*, AM. APPAREL & FOOTWEAR ASS'N (Aug. 23, 2023), <https://perma.cc/Z27N-TRXC> (last visited Oct. 20, 2025).

⁷ Letter to Senate President pro Tempore Toni Atkins and Anthony Portantino (Jan. 14, 2022), <https://perma.cc/EAL3-H83D> (last visited Oct. 20, 2025).

and prosperous future. This is why legislation such as SB 449 is necessary to precipitate actionable disclosure.⁸

Seven companies also wrote to California Senator Scott Wiener in August 2022 to express support for SB 260, the emissions disclosure legislation that preceded SB 253:

Globally, thousands of public and private companies are voluntarily reporting their Scope 1-3 emissions to the CDP. However, there is still a disconnect between the actions of companies like us and what we see in the mid-market and in our supply chains... we need legislation like SB 260 to cover privately held and midmarket companies to better ensure economy-wide accountability and action.⁹

B. Stakeholders Urged Implementation During the State's Budget Crisis.

In April 2024, when California's \$38 billion budget deficit led Governor Gavin C. Newsom to propose a 2024-2025 budget that paused the implementation of newly signed laws, including SB 253 and SB 261, thirty-five businesses called for full funding of the implementation of SB 253 and SB 261 to be included in the final state budget in a letter to Governor Newsom and California Assembly Speaker Robert Rivas.¹⁰ They wrote, in part:

⁸ Letter to Senate President pro Tempore Toni Atkins (Jan. 14, 2022), <https://perma.cc/23NH-MG5H> (last visited Oct. 20, 2025).

⁹ Letter to Senator Scott Wiener (Aug. 24, 2022), <https://perma.cc/P6JG-LTL9> (last visited Oct. 20, 2025).

¹⁰ Letter to Governor Gavin Newsom, Senate President pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas (Apr. 29, 2024), <https://perma.cc/Q2HH-UV9F> (last visited Oct. 20, 2025).

Not only do investors, consumers, and other stakeholders deserve better information about companies' climate-related financial risks, but businesses themselves will benefit from the standardized and consistent disclosure guidance that these policies promise.

These first-in-the-nation laws ensure standardized and consistent disclosure rules for companies doing business in the state. This is why SB 253 and SB 261 won the support of... companies, institutions, and industry groups, many of which will themselves be required to report their emissions and climate risks under the upcoming regulations.

Other institutions conducted advocacy individually. Notably, the California Public Employees' Retirement System (CalPERS)—the largest public defined benefit pension fund in the United States—wrote in support of full funding for the laws' implementation, saying the policies “will provide institutional investors, consumers, and policy makers with a consistent source of valuable emissions and climate-related financial risk reporting data.”¹¹ CalPERS further wrote,

We believe that companies should disclose consistent, comparable, and reliable information in regulatory reports to help shareowners more easily identify, assess, and manage climate risk and opportunity and to better understand the full financial implications of climate-related data.

¹¹ Letter to Governor Gavin Newsom, Senate President pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas (Mar. 29, 2024), <https://www.politico.com/f/?id=0000018e-ab4e-d98b-abde-af4f29d30000> (last visited Oct. 20, 2025).

C. Businesses and Investors Provided Positive Feedback in Response to CARB's Solicitation for Information.

In December 2024, CARB solicited information on the implementation of SB 253 and SB 261.¹² To provide CARB with companies' perspectives, Ceres convened a series of virtual corporate roundtables in January 2025 and sent participants an online poll that mirrored CARB's solicitation for feedback. Over the course of two Ceres-hosted roundtables, and one roundtable hosted by Accounting for Sustainability which Ceres helped moderate, Ceres reached more than 100 climate and financial reporting practitioners representing over seventy companies, trade associations, and institutional investors. Ceres also reached many companies through presentations and direct engagements.¹³

Ceres summarized the views expressed by companies during these gatherings in a March 2025 comment letter to CARB.¹⁴ The companies varied in size and corporate structure, but nearly all participants represented entities that will be subject to the disclosure laws. Nearly all participating companies were already reporting

¹² *Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219*, CAL. AIR RES. BD. (Dec. 16, 2024), <https://perma.cc/H93Y-3V6R> (last visited Oct. 20, 2025).

¹³ *Ceres Submits Comment Letter to California Air Resources Board Urging Alignment with Global Climate Disclosure Standards*, CERES (Mar. 18, 2025), <https://perma.cc/9FF7-7633> (last visited Oct. 20, 2025).

¹⁴ Letter to Chair Liane M. Randolph, CARB (March 17, 2025), <https://perma.cc/4WEF-VNDH> (last visited October 21, 2025).

climate-related risks and greenhouse gas emissions, either voluntarily or in compliance with international mandates. Given this high level of existing climate disclosure activity, companies strongly favor the approach built into SB 253 and 261 that incorporates widely understood and adopted disclosure frameworks—namely the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) and the Greenhouse Gas Protocol (“GHG Protocol”). Adherence to these frameworks allows companies to meet their disclosure requirements in California and elsewhere without excessive regulatory burden. In addition, many investors have extensive experience analyzing TCFD- and GHG Protocol-compliant reporting, and the common structure of reporting across companies helps facilitate consistency and comparability for investors.¹⁵

After the comment period for CARB’s information solicitation closed, Ceres analyzed 245 unique submissions to CARB’s public docket, including 199 institutional letters from companies, trade associations, and other corporate stakeholders. Among the institutional submissions, 69 letters were from companies; 55 from trade associations; 48 from nonprofits or academia; 13 from investors; 7 from law firms; and 7 from public utilities.¹⁶ Ceres found that only 9% of all

¹⁵ *Id.*

¹⁶ *Analysis Finds Broad Support for California Disclosure Laws*, CERES (May 14, 2025), <https://perma.cc/B9MW-6CGT> (last visited Oct. 20, 2025).

comment letters expressed outright opposition to the laws (or, at least, recommended so many fundamental changes to the laws that they could be interpreted as oppositional). Meanwhile, roughly 59% of all comments were supportive (i.e., they contained affirmative statements about the importance of these disclosures), while 32% were neutral, technical submissions.

Among the notable responses in CARB's comment file were several supportive comments from large institutional investors, including:

- **CalPERS**, which manages approximately \$530 billion in global assets on behalf of more than 2 million members, said: "CalPERS has advocated for increased transparency on climate risk and portfolio company emissions for more than a decade. We believe that companies should disclose consistent, comparable, and reliable information in regulatory reports to help shareowners more easily identify, assess, and manage climate risk and opportunity and to better understand the full financial implications of climate-related data."¹⁷
- **The California State Teachers' Retirement System (CalSTRS)**, the largest educator-only pension fund in the world, with a global investment portfolio of approximately \$353 billion, said: "CalSTRS strongly supports the intent of these laws that, among various provisions, improve transparency from companies regarding their greenhouse gas (GHG) emissions and climate-related risk management practices to better inform the decision-making of California consumers, investors, and members of the public. Additionally, the legislation will improve access to consistent, standardized information from

¹⁷ Cal. Pub. Emp. Ret. Sys., Comment Letter on Information Solicitation to Inform Implementation of California Climate Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219 (Mar. 20, 2025), <https://perma.cc/Q2LG-H4DR> (last visited Oct. 20, 2025).

the largest companies doing business in California about their GHG emissions, and the risks they face from the impacts of climate change.”¹⁸

- **Parnassus Investments**, which manages more than \$45.6 billion in client assets, said: “Improved Scope 1, 2, and 3 data should directly benefit our ability to assess relative risks and opportunities, improve the quality of the data we use, and level the playing field for reporters within and across sectors and across market capitalizations. In addition, Parnassus uses material climate risk and emissions information to inform our corporate engagement program and proxy voting. In short, the Climate Corporate Data Accountability Act and Climate-Related Financial Risk Act would streamline and strengthen our investment analysis, engagement, and proxy voting decisions.”¹⁹

* * * * *

The business community and investors support SB 253 and SB 261 because they are important steps towards ensuring the accuracy of commercial information in the marketplace. The statements from businesses and investors in favor of SB 253 and SB 261 support the district court’s finding that these laws regulate commercial speech, and that the State has a substantial interest in promoting accurate information that investors will use to facilitate future commercial transactions.

¹⁸ Cal. State Tchrs. Ret. Sys., Comment Letter on Information Solicitation to Inform Implementation of California Climate Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219 (Mar. 21, 2025), <https://perma.cc/M28Z-Z2Y3> (last visited Oct. 20, 2025).

¹⁹ Parnassus Inv., Comment Letter on Information Solicitation to Inform Implementation of California Climate Disclosure Legislation: Senate Bills 253 and 261, as amended by SB 219 (Mar. 21, 2025), <https://perma.cc/4UDJ-ZQGM> (last visited Oct. 20, 2025).

CONCLUSION

The Court should affirm the district court's order denying a preliminary injunction.

Dated: October 23, 2025

Respectfully submitted,

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I hereby certify that on October 23, 2025, an electronic copy of the foregoing brief was filed with the Clerk of Court for the United States Court of Appeals for the Ninth Circuit using the ACMS filing system and that service will be accomplished using the ACMS system.

/s/ Matthew E. Miller