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Ford Motor Company (Ford) appreciates the opportunity to provide feedback on the California Air Resources Board's (CARB) Draft Reporting Template for Scope 1 and 2 Greenhouse Gas Emissions.

Specifically, Ford would like to provide comments on the three key elements CARB has identified for comment.

1. Disclosure by Source vs. by Gas

Ford recommends that disclosures should be by source, rather than by gas, as disaggregation by source tends to be more commonly used. Further, Ford recommends that any further disaggregation of the data, either by source or by gas, should be optional in the Reporting Template. Per Health and Safety Code § 38532, companies are required to report on "their scope 1 and scope 2 greenhouse gas emissions," defined as all direct and indirect emissions. The law does not require additional disclosures beyond this.

Further, making these fields optional would be consistent with Health and Safety Code § 38532(c)(1)(D)(i) which requires CARB's program to be "structured in a way that minimizes duplication of effort and allows a reporting entity to submit to the emissions reporting organization reports prepared to meet other national and international reporting requirements." Gross Scope 1 and 2 GHG disclosures are required under most international Scope 1 and 2 GHG reporting requirements. However, international regulatory entities are inconsistent in terms of additional disclosures beyond Gross Scope 1 and 2 GHG emissions. Requiring further disaggregation of data into source or gas creates reporting burden and is counter to the law's intent to avoid additional reporting effort; companies should



be able to use the same disclosures used for other international programs without having to calculate unique data points for CARB's program.

2. Organizational Boundaries

Ford recommends that CARB retains flexibility in organizational boundary methods to accommodate diverse corporate structures. This approach is consistent with the flexibility allowed in the Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard. Flexibility is written into this framework recognizing that companies have diverse organizational structures and need the ability to determine which organizational boundary method is most appropriate for their unique business.

3. Emissions Reduction Initiatives

Ford agrees that the most appropriate Emission Reduction Initiative disclosures to include are renewable electricity and renewable gas, as these types of initiatives are backed by contractual instruments; reductions are traceable and auditable.

However, Ford recommends that Emissions Reduction Initiative disclosures are moved from the required disclosure section of the Reporting Template to the "Optional Fields" tab, consistent with CARB's comment in the Draft Memo for the Draft Reporting Template stating that Emissions Reduction Initiatives would be an option for reporting – "At the August 2025 workshop, staff discussed including an option for reporting entities to include other actions that reduce GHG emissions." Furthermore, moving this disclosure to the Optional Fields section of the form would be consistent with Health and Safety Code § 38532(c)(1)(D)(i), as this field is unique to CARB's program and the program should allow "a reporting entity to submit to the emissions reporting organization reports prepared to meet other national and international reporting requirements."

In addition to the comments provided above, Ford also wishes to provide feedback on several other aspects of the Draft Reporting Template, to ensure it is structured in a way that minimizes duplication of effort and allows for reporting that aligns with other national and international reporting requirements.



- **Minimizing Numeric Disclosures**

Ford encourages CARB to reconsider the number of numeric disclosures required to be reported. Per Health and Safety Code § 38532, companies are required to report on “their scope 1 and scope 2 greenhouse gas emissions,” defined as all direct and indirect emissions. Ford recommends that other numeric disclosures, not required by the law, should be optional in the reporting form.

Minimizing the number of numeric disclosures is also consistent with the requirement in 38532(c)(1)(D)(i) that CARB’s reporting template should allow “a reporting entity to submit to the emissions reporting organization reports prepared to meet other national and international reporting requirements.” The Draft Reporting Template, as written, would not align with other international reporting requirements. Although the Gross Scope 1 and 2 GHG disclosures are required under most international reporting requirements, the additional disclosures beyond that are unique to CARB’s program, such as further disaggregation of data or unique data points. This creates burden for companies and is counter to the law’s intent to avoid creating additional effort.

Ford recommends that any numeric disclosures should be moved to the “Optional Fields” section, similar to other numeric disclosures CARB has included in the Optional Fields section of the form (e.g. disaggregation by Global Warming Pollutant). Specifically, Ford recommends CARB move the following numeric disclosures to “Optional Fields:”

- Scope 1 Disaggregation into Mobile Combustion, Process Sources, and Fugitive Sources
- Scope 2 Disaggregation into Purchased/Acquired Steam, Heating, and Cooling
- Scope 1 and 2 Emission Intensity
- De Minimis quantity of emissions (Row 70 – incorrectly noted as Free Text instead of Numeric)
- Emission Reductions

Further, Ford encourages CARB to reconsider the comments in the “Read Me First” that “CARB may consider making some of the [optional] fields ‘required’



in subsequent reporting years.” For the reasons noted above, this would be inconsistent with the law and would create additional reporting burden.

- **Optional Disaggregation of Scope 1 and 2 Data**

Ford recommends that Scope 1 and 2 disaggregation by source (e.g. Scope 1 breakdowns into Mobile, Process, and Fugitive Sources) should include all relevant sources. For example, the Scope 1 breakdown does not include Stationary Combustion Sources. The Scope 2 breakdown does not include Purchased Electricity. Further, as noted above, Ford recommends that these disclosures should be Optional Fields.

- **Specifying Scope 2 Calculation Method**

Ford recommends that CARB provide clarity in the Draft Reporting Template whether Scope 2 emissions should be calculated using the location or market-based approach, or both. International reporting requirements typically specify that Scope 2 disclosures should be provided following both the location and market-based methods, so Ford recommends that CARB follow a similar approach.

- **Removing Links to California’s Global Warming Potential (GWP) or Emission Factor (EF) Source Websites**

Ford recommends that in the “Read Me First” tab, California does not provide links to specific GWP and EF sources, as this will create confusion for reporters. The “Form” tab in the Draft Reporting Template indicates that California is agnostic to which GWPs or EFs are used, but the “Read Me First” tab provides links to certain GWPs and EFs that are used in California reporting. Recommend that these references are removed from the “Read Me First” tab, as they could add confusion, since Health and Safety Code § 38532 only prescribes that companies use the GHG Protocol.

- **Draft Reporting Template - Drop-Down Selections**

Ford recommends that in the final version of the Reporting Template, Drop-Downs allow for multiple selections. For example, companies may have multiple EF sources to select based on regions where they operate. Further, in providing



options for the drop-downs, CARB should allow for open-ended fields, recognizing the diversity of data inputs used for global companies' emission reports.

- **Duplicative Scope 1 Biogenic Emissions Disclosure**

Ford recommends that CARB remove the duplicative disclosure for Scope 1 biogenic direct (combustion) emissions. This disclosure is currently listed in both the optional and mandatory sections of the Draft Reporting Template "Form."

Once again, we appreciate the opportunity to provide these comments and will be pleased to discuss this information with you or members of your staff. Should you wish to do so, please contact me at kholcom3@ford.com

Sincerely,

Katie Ernst
Ford Motor Company