

October 27, 2025

Members, California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RESPONSE: Comments on SB 253 Reporting Template

Schneider Electric, the global specialist in energy management and automation in more than 100 countries, with over 21,000 U.S. employees and thousands of U.S.-based clients and partners, is pleased to submit the following response to the California Air Resources Board (CARB) on California Corporate Greenhouse Gas (GHG) Reporting and Climate Related Financial Risk Disclosure Programs. Schneider Electric has been **recognized as the world's most sustainable company by Time Magazine for 2024¹** as well as by Corporate Knights². We understand that climate change is one of the most significant issues of our time, which is why, as a company, we are committed to achieving net zero emissions throughout our value chain, without the use of carbon offsets, by 2050.

Through **SE Advisory Services**, we help organizations turn bold sustainability, energy, and digitalization ambitions into measurable impact. We combine deep expertise, global implementation, and AI-powered software to drive transformation across energy and risk management, decarbonization, nature-based solutions, operational efficiency, and digital transformation.

We are strongly supportive of CARB's proposal to mandate climate-related disclosures and applaud CARB's proactive position on advancing transparency for the investor community on climate risks. We also acknowledge that the proposed rule will impact both our clients and our organization, and our response reflects this awareness. In response to CARB's solicitation for information, we offer the following comments.

Suggestions for Technical Clarifications

1. **Global Warming Potential (GWP) Values – AR4 vs AR6:** CARB currently specifies the use of GWP values from the IPCC Fourth Assessment Report (AR4). However, the latest scientific consensus is reflected in the Sixth Assessment Report (AR6), which provides updated GWP values. We recommend CARB consider adopting AR6 values to improve the accuracy of emissions reporting and align with evolving international standards such as the U.S. EPA GHGRP, CSRD (ESRS E1), and ISSB (IFRS S2).
2. **Scope 1 Stationary Combustion Emissions:** The template currently lacks a field for reporting Scope 1 stationary combustion emissions (see row 48). We recommend adding a dedicated field to ensure comprehensive Scope 1 reporting.
3. **Scope 2 Emissions Reporting – Lack of Distinction Between Methodologies:** The current template does not provide separate fields for reporting total market-based and location-based Scope 2 emissions (see row 54). Additionally, there is no designated field for emissions from purchased electricity. We recommend that CARB add distinct fields for Scope 2 methodologies.

¹ [World's Most Sustainable Companies 2024 | TIME](https://www.time.com/time/ranking/2024/worlds-most-sustainable-companies/)

² [https://www.corporateknights.com/issues/2025-01-global-100-issue/California%20Corporate%20Greenhouse%20Gas%20\(GHG\)%20Reporting%20and%20Climate%20Related%20Financial%20Risk%20Disclosure%20Programsschneider-electric-is-the-most-sustainable-company-in-the-world/](https://www.corporateknights.com/issues/2025-01-global-100-issue/California%20Corporate%20Greenhouse%20Gas%20(GHG)%20Reporting%20and%20Climate%20Related%20Financial%20Risk%20Disclosure%20Programsschneider-electric-is-the-most-sustainable-company-in-the-world/)

4. **S2 Contractual Instruments:** Clarification is needed on where to report offsets and how to distinguish between total Scope 2 emissions and reductions from renewable electricity or gas usage. Clear instructions on the use of rows 54, 74, and 75 are recommended. The template lacks clarity and granularity for reporting Renewable Energy (RE) emissions reductions. CARB should provide guidance on which RE instruments are applicable to this report (e.g., PPAs, vPPAs, unbundled EACs, Green tariffs, onsite vs third party RE) and add fields to allow for reporting of these different RE streams as well as a field within the form to report carbon offsets.
5. **Parent-Subsidiary Reporting:** Lines 27-28 ask whether subsidiaries are reporting separately from the parent company. While this implies that parent companies can consolidate the reporting of its subsidiaries, we urge CARB to be explicit on this point.

Suggestions for Improvement

1. **Row-Level Guidance:** The current template lacks sufficient guidance per row, leading to inconsistent interpretations. We recommend CARB develop detailed, row-by-row guidance at the question level to ensure clarity and consistency.
2. **Text/Free Text Fields – Character Limits:** To improve clarity on reporting, CARB should specify character limits for all text and free text fields.
3. **Verification Documentation:** There is currently no field to submit or attach a verification statement or letter of assurance. We recommend adding a dedicated field for this purpose to support transparency and compliance.
4. **Non-Compliance Qualifier:** Clarification is needed on whether a “No” response to including a specific scope or emissions stream in the reporting boundary constitutes non-compliance. Clear guidance on acceptable exclusions and their implications under SB 253 are essential.
5. **Confidentiality and Public Disclosure:** Further clarity is needed on whether disclosures marked as Trade Secret Information (TSI) will be protected from public release. This is particularly important for private companies concerned with confidentiality.
6. **Private Companies’ Revenue-Based Intensity Metrics:** Private companies may be unable to disclose revenue-based intensity metrics due to potential confidentiality risks and the possibility of reverse-engineering financial data. We recommend making this field optional and allowing alternative intensity metrics (e.g., per unit of production).
7. **Emission Factor (EF) Source Selection:** The current dropdown in row 62 is limited and allows only one selection. This is problematic when multiple EF sources or years are used. We recommend allowing multiple selections and providing guidance on how to report version names and data years.
8. **Scope 2 Emission Factor Differentiation:** There is a need to distinguish between emission factors used for market-based and location-based Scope 2 electricity. The template should include separate fields or tagging mechanisms to capture this distinction.
9. **Methodology Questions:** For questions such as “Describe the calculation approach you are using,” additional guidance is requested to understand expected content. Consider pre-filling or simplifying these fields.
10. **Data Quality Rating:** The optional field asking companies to “Rate the quality of the data” is currently open to interpretation. We recommend CARB provide standardized criteria or a rating scale to ensure consistency.
11. **Third-Party Verification Clarification:** We recommend CARB provide clear guidance on verification thresholds, acceptable methodologies, and any allowable exclusions.

12. **Gap-Filling and Estimation Methodologies:** It is unclear whether entities are required to disclose gap-filling or estimation methods when direct data is unavailable. We recommend adding a field to disclose assumptions, proxies, or models used.

Thank you for the opportunity for Schneider Electric to provide responses to this solicitation and we look forward to continued engagement with the California Air Resources Board on the development of the Corporate Greenhouse Gas Reporting and Climate Related Financial Risk Disclosure Programs. Please do not hesitate to reach out to me directly with any questions at Amy.Mmagu@se.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amy Mmagu', followed by a long, sweeping horizontal line.

Amy Mmagu
California Government Relations Manager
Schneider Electric