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California Air Resources Board
Climate Disclosure Program
climatedisclosure@arb.ca.gov

RE: Comments on Draft Scope 1 and 2 GHG Reporting Template and Implementation of SB 253

Dear Sir or Madam,

Kronos (US), Inc. is a seller and distributor of titanium dioxide pigments and related products. We do not own or operate any manufacturing plants or office buildings in California. We maintain only a single remote employee working in California.

Although our direct operational footprint in California is minimal, we may be subject to the SB 253 reporting requirements based on revenue. We appreciate the opportunity to provide these comments to inform CARB's implementation of California's corporate greenhouse gas reporting program.

CORE REQUEST: ACCEPT PARENT COMPANY REPORTS IN EXISTING FORM

Our primary request is straightforward: CARB should explicitly accept parent company greenhouse gas emissions reports prepared to meet other national and international reporting requirements.

We ask that CARB recognize that companies subject to concurrent reporting mandates—including U.S. EPA reporting, EU Emissions Trading System (ETS) requirements, Western Climate Initiative (WCI) requirements, and European Corporate Sustainability Reporting Directive (CSRD) obligations—have already invested substantially in producing compliant GHG data. These reports are prepared by qualified professionals, often audited by independent third parties, and reviewed by regulatory authorities in other leading jurisdictions. Requiring recalculation, reformatting, or reassurance of this data for



California alone creates unnecessary duplication and burden without corresponding public benefit.

KEY CONCERNS

A. Duplicative and Costly Reporting Requirements

SB 253 mandates greenhouse gas disclosure to CARB concurrent with similar disclosures required by the U.S. EPA, European Union authorities, Canadian authorities, and other national regulators. This multijurisdictional reporting regime creates substantial administrative complexity and cost for global companies, particularly when different jurisdictions impose conflicting methodologies or emission factors.

Many companies subject to SB 253 are already fulfilling rigorous reporting obligations under EU CSRD/ETS frameworks, which impose detailed Scope 1, 2, and 3 emissions accounting standards comparable to or exceeding SB 253 requirements. California should build on this existing infrastructure rather than mandate duplicative calculations.

B. Risk of Conflicting Data Submissions

If CARB imposes California-specific methodologies, emission factors, or calculation approaches that diverge from GHG Protocol standards or EU/Canadian requirements, companies will be forced to maintain multiple versions of their emissions data. Different reporting standards will inevitably produce different results, leading to conflicting submissions filed with CARB, EPA, EU regulators, and investors.

This creates several risks:

- **Investor Confusion:** Market participants receive inconsistent information about company emissions, undermining confidence in ESG data and the credibility of climate reporting generally.
- **Regulatory Penalties:** Companies may face audit findings or alleged violations in one jurisdiction based on compliance approaches accepted in another.
- **Legal Exposure:** Multinational companies operating under California, EU, Canadian, and other rules face heightened risk if California requirements cannot be reconciled with other national standards.

C. Lack of Regulatory Flexibility

The GHG Protocol, EPA standards, EU frameworks and other national regulations are updated regularly to reflect scientific advances and regulatory developments. CARB's proposed reporting approach should accommodate these updates automatically.



Conversely, if California adopts rigid, jurisdiction-specific rules, those rules will quickly become outdated as other regulatory regimes evolve.

CARB should establish a flexible framework that recognizes equivalent methodologies and automatically incorporates updates to major international protocols and standards.

D. Burden of Reassurance

Under existing EU ETS and WCI frameworks, companies already obtain third-party assurance of their GHG emissions data at limited assurance level (or higher). This assurance is performed by qualified, independent auditors and reviewed by regulatory authorities in their respective jurisdictions.

CARB's current proposal may require companies to obtain separate, additional assurance specifically for California compliance. This duplicates costly audit work that has already been completed by qualified professionals in other jurisdictions. The requirement for reassurance of previously assured data is inefficient and provides no incremental benefit to California regulators, investors, or the public.

Not only is reassurance inefficient, it could result in discrepancies with existing reports previously assured and submitted to meet regulatory obligations in other jurisdictions, resulting in potential risk to companies of non-compliance and/or fines and penalties associated with incorrect reporting.

Further, given the pending legal challenge to this law, it is especially important that CARB avoid unnecessary regulatory duplication and demonstrate flexibility in accepting reports that already meet high assurance standards elsewhere. A cautious, harmonized approach will help protect all stakeholders pending a final judicial resolution.

REQUESTED ACTIONS

CARB should adopt the following approach to streamline compliance and reduce administrative burden:

1. **Explicit Recognition of Parent-Level Reporting:** Amend CARB guidance to explicitly state that companies may submit parent company GHG emissions reports prepared to comply with other national or international reporting regimes (including CSRD, EU ETS, WCI, and EPA requirements).
2. **Acceptance of GHG Protocol-Compliant Data:** CARB should accept Scope 1, 2, and 3 emissions data calculated in accordance with the GHG Protocol Corporate



Accounting and Reporting Standard, regardless of which jurisdiction required the initial calculation.

3. **Elimination of Duplicative Assurance Requirements:** CARB should not require separate reassurance of GHG emissions data that has already been assured at limited assurance level or higher by a qualified third party in compliance with another jurisdiction's regulatory requirements.
4. **Automatic Recognition of Protocol Updates:** CARB should establish procedures to recognize and incorporate major updates to the GHG Protocol and equivalent international standards automatically, without requiring separate regulatory rulemaking or guidance amendments.
5. **Regulatory Alignment and Flexibility:** In cases where another leading jurisdiction (such as the EU or EPA) accepts a particular reporting methodology or emission factor, CARB should likewise recognize that approach as compliant with SB 253.

CONCLUSION

We appreciate CARB's consideration of these comments. Accepting parent-level reports prepared under equivalent international standards will advance the core objectives of SB 253—transparency and investor protection—while eliminating unnecessary duplicative work that benefits no one.

We welcome the opportunity to discuss these recommendations with CARB staff and remain available to provide additional information about implementation challenges faced by multinational companies.

Respectfully submitted,

Shannon S. Walker
Director, Global ESG
Kronos (US), Inc.

For questions regarding these comments, please contact Shannon Walker, Director, Global ESG, swalker@valhi.net.