

June 1, 2026
California Air Resources Board (CARB)
1001 I Street
Sacramento, CA 95814

Re: Feedback on SB 253 Draft Scope 1 and 2 GHG Reporting Template

The Information Technology Industry Council (ITI) appreciates the opportunity to submit comments in response to CARB's SB 253 Draft Scope 1 and 2 Greenhouse Gas (GHG) Reporting Template. ITI represents the leading global innovators of information and communications technology (ICT), an industry with a strong record of leadership on corporate sustainability and GHG reporting. ITI's members remain committed to complying with CARB disclosure requirements and providing stakeholders with appropriate information on material aspects of our environmental, social and governance (ESG) issues including climate change.

ITI and our members fully support CARB's goals to reduce GHG emissions and provide a clear climate disclosure framework. We offer our comments below in response to the request for input and look forward to further engagement with CARB on this issue.

A) Scope 1 and 2 Reporting Templates

1. What additional information for Scope 1 and 2 reporting should CARB Consider when developing final reporting templates?
 - a. Carb should include template fields that accommodate reporting of climate actions and market instruments alongside gross emissions. As the GHG Protocol evolves toward a multi-statement accounting structure (per the AMI workstream), the template should allow entities to disclose both attributional and impact-based metrics. This ensures regulated disclosures can reflect the full scope of verifiable mitigation actions without waiting for future rulemaking cycles.

B) GHG Accounting

1. **Organizational Boundaries:** CARB staff have proposed two approaches for setting organizational boundaries: the equity share approach and the control approach. See p. 11 of [the slides](#).
 - a. Are there other approaches to organizational boundary-setting that CARB should consider?
 - i. CARB should set boundary setting requirements in alignment with

eligible internationally recognized standards like ISO 14064-1 (2018) and GHGP (2015). CARB should consider reviewing and updating the eligible list of standards every three years

- b. How should entities explain their choice of organizational boundary?
 - i. N/A (no feedback)

2. Accounting Methods:

- a. **Proposed Adjustments to Scope 1 and 2 Reporting (starting in 2027):** As part of this rulemaking, CARB is developing templates for Scope 1 and 2 reporting to be used in 2027 and beyond. CARB published draft templates on October 10, 2025, and received public feedback on topics including emissions intensity per dollar of revenue, organizational boundary flexibility, and flexibility to report using different global warming potential values.

- i. What additional information for Scope 1 and 2 reporting should CARB consider when developing final reporting templates?

- 1. N/A (no feedback)

- b. **Proposed Flexibility for GHG Accounting Methods:** CARB staff outlined four GHG accounting methods: 1) spend-based; 2) activity-based; 3) supplier-specific; 4) hybrid combination of these approaches. The approaches are explained on p. 17-22 of [the slides](#).

- i. What accounting methods does your organization currently use for Scope 1, 2, and 3 GHG emissions?

- 1. N/A (no feedback)

- ii. Should CARB consider allowing other accounting methods? If so, which ones and why?

- 1. Methods should be aligned with internationally recognized standards such as ISO 14064-1 (2018) and the GHG Protocol Corporate Standard (2015).

- 2. Rather than prescribing specific methods in regulation, CARB should provide optionality by including methodologies in the rule and referencing existing international standards. CARB can maintain a curated list of eligible standards, reviewed every 3 years. If a reporting company wants to use a different standard, they can do so with clear justification.

- c. **Other accounting methods CARB should consider**

- i. CARB should recognize that companies may apply complementary accounting approaches (e.g., consequential or impact accounting) to transparently report verifiable climate actions that are not captured by attributional Scope 1/2/3 totals alone. The template should provide a structured field for such disclosures, aligned with emerging international guidance from the GHG Protocol AMI workstream.

- 1. **Emission Factors:** CARB staff named the following datasets as potential emission factor sources for Scope 3 categories: EPA's Emissions & Generation Resource Integrated Database (eGRID); IPCC Emissions Factor Database (EFDB); EPA's Emission Factors (EF) Hub; U.S. Environmentally Extended Input-Output (USEEIO).

- a. What criteria should emission factors meet to be used in this program?

- i. Emission factors generally depend on two key criteria: 1. Methodology and 2. Quality. On methodology, emission factors should be calculated using eligible international carbon accounting standards such as ISO 14040/14044/14064-1 or GHGP. On quality, emission factors should be chosen such that they capture full life cycle emissions, are as timely as possible, as geographically relevant as possible, and as transparent as possible. Recognizing the uncertainty and variety in quality, CARB should reference ISO 14040/14044/14064-1 and GHGP standards for additional guidance. Any deviations should be disclosed by the reporting organization.
 - ii. CARB's proposed list is too U.S.-centric given that Scope 3 emissions span global value chains. Additional sources to recognize include: IEA, EU AIB, and other national emission factor databases.
- b. How should reporters document and explain their use of a particular emission factor, including proprietary models?
 - i. Disclosing the emission factors and datasets used on an annual basis is reasonable. For proprietary emission factors and datasets, third-party validation should be required.
- c. How should reporters document and explain when changing emission factors from a prior year?
 - i. N/A (no feedback)

C) Scope 3 Reporting Options

CARB staff outlined three proposed paths for regulating Scope 3 disclosures, explained on p. 25-27 of [the slides](#):

1. *Broad Applicability*. All reporting entities report on all Scope 3 categories; reporters have some flexibility to omit categories that they deem de minimis, with appropriate explanation.
2. *Sectoral Phase-In*. Require Scope 3 reporting from the transportation and industrial sectors in 2027, prioritizing sectors responsible for the largest share of statewide emissions that are subject to the greatest transition risk. Stakeholder feedback would inform prioritization of reporting from other sectors.
3. *Category Phase-In*. Begin with most reported Scope 3 categories (6, 1, 3, 7, 5) and expand to less-reported categories over time. Allow companies to voluntarily report the other 10 categories.

1. Option 1: Broad Applicability:

- a. Should reporting entities be able to report as de minimis certain Scope 3 categories due to lack of relevance/materiality and/or feasibility?
 - i. Yes. We support Option 1 with de minimis exclusions, as it aligns with the general materiality concepts outlined in GHGP and ISO organizational carbon accounting standards and other international regulations.
- b. What specific thresholds, definitions, or decision frameworks should

CARB use to determine when a Scope 3 category is considered de minimis to be reported?

- i. A threshold of <5% of gross Scope 1+2+3 emissions for each scope 3 category is appropriate, and aligned with other international standards and regulations. Additionally, CARB should allow exclusions in alignment with other internationally recognized standards (such as GHGP (2015) and ISO 14064) and regulations. Companies should be allowed to exclude certain emissions that are deemed not relevant or applicable based on these standards and regulations.
- c. How should CARB weigh reporting flexibility against alignment with current mandatory and voluntary practices and other international standards?
 - i. CARB should align with international standards (e.g., GHG Protocol 2015) and maintain a curated list of acceptable standards, reviewed every 3 years.

2. Option 2: Sectoral Phase-In

- a. Are these sectors (transportation, industrial, energy) the appropriate starting point for a phased approach to Scope 3 reporting? What factors should CARB consider in confirming or adjusting this prioritization?
 - i. Oppose: A sectoral phase-in approach creates an uneven playing field, would increase complexity, and reduces the type of comparability that drives effective action.

Regards,



Chris Cleet, QEP

Vice President of Policy, Sustainability & Regulatory
Information Technology Industry Council (ITI)

700 K Street, NW Suite 600

Washington, DC 20001

202.626.5759

www.itic.org



Promoting Innovation Worldwide

 itic.org