

February 6, 2026

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

RESPONSE: Proposed California Corporate Greenhouse Gas Reporting and Climate-Related Financial Risk Disclosure Initial Regulation

Schneider Electric, the global specialist in energy management and automation in more than 100 countries, with over 25,000 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 for two consecutive years by Time Magazine for 2023 and 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 initial regulation language, we offer the following comments to seek clarification.

Revenue

The revenue definition remains unclear for some companies. CARB recently clarified via a memo the impact of Water's Edge accounting on CARB's total revenue thresholds: CARB has previously stated that the "total annual revenue" (used to meet the \$500M/\$1B thresholds) is defined as gross receipts on Form 100 Schedule F Line 1a in the company's Franchise Tax Board (FTB) filings. While this may represent total global revenue for *some companies*, entities that elect to use the Water's Edge accounting methodology will actually use Form 100W. This accounting approach allows them to not include certain subsidiaries (following specific accounting criteria) and may cause some companies to fall out of scope for SB 261/253. We would appreciate guidance or clarification for companies that use an alternative methodology to be included either in the regulatory text, FAQs, or otherwise accessible public supplementary material.

Deadlines – SB 261

As CARB is aware, SB 261 has a statutory reporting deadline of January 1, 2026. We understand that the enforceability of this reporting deadline is dependent upon the Ninth Court of Appeals. However, we would

¹ [World's Most Sustainable Companies 2024 | TIME](#)

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/)

appreciate guidance indicating how CARB plans to adjust enforcement of the regulatory deadline if the court upholds the regulation and lifts the injunction.

Technical Guidance – SB 253

For SB 253 reporting due August 10, 2026, we would appreciate further guidance as to how reported metrics should be submitted (i.e. through a public docket, on a company website, through a CARB-specified portal, etc.) Additionally, while the Draft Template has been released and is considered optional to use for the first year of reporting, we encourage CARB to release guidance on what fields are mandatory if the Draft Template is not utilized. Examples of required guidance include but are not limited to specific emissions breakdowns by Scope, source, use type; acceptable Global Warming Potential (GWP) Assessment Report (AR) versions; and attachments of verification or assurance statements.

Fee Structure/Payment

Companies often maintain internal vendor payment processes that are complex and may require more time than is contemplated by the proposed regulatory text. Limiting the payment remittance period to 60 days, coupled with the imposition of fees for failure to meet that deadline, may establish a framework that is not aligned with the operational realities of large corporations subject to the law. We urge CARB to reevaluate these timelines.

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', with a long, sweeping horizontal line extending to the right.

Amy Mmagu
California Government Relations Manager
Schneider Electric