

Publications

TRI Reporting Updates: EPA Clarifies “Parent Company” Definition, Requires Foreign Parent Company, Standardizes Naming Conventions

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On October 21, 2022, EPA finalized an amended rule to the Toxic Release Inventory (TRI) Reporting requirements.

The final rule, via its key three updates:

1. Codifies the definition of “parent company,” beginning with Reporting Year 2022;
2. Requires facilities to report a foreign parent company, beginning with Reporting Year 2023; and
3. Requires facilities to use standardized naming conventions for parent companies, beginning with Reporting Year 2022.

As noted at point 1 above, TRI Reporting facilities will have to adhere to EPA’s newly codified “parent company” definition beginning with their submissions for Reporting Year 2022. For TRI Reporting purposes, EPA defines “parent company” as the “highest-level reporting company (or companies) of the facility’s ownership hierarchy as of December 31” of the reporting year. The definition provides the test for determining the “highest-level reporting company” (i.e., the parent company) in the following facility ownership scenarios:

If the facility is owned by:

- A single company not owned by another company, then the parent company is that single company.
- A single company owned by another company, then the parent company is the highest-level company in the ownership hierarchy.
- Multiple companies, then the parent company is the company with the highest ownership interest.
- A joint venture or cooperative, then the parent company is the joint venture or cooperative.
- A foreign company, then the parent company is the highest-level foreign company.

- The federal government, then the parent company is the highest-level federal agency or department operating the facility.
- A non-federal public entity, then the parent company is that non-federal public entity.

As noted at point 2 above, EPA is requiring facilities to report their highest-level foreign parent company, where applicable, in addition to their highest-level U.S.-based parent company. This requirement applies to TRI Reporting facilities that are owned, at least in part, by a company outside the United States. Thus, if a facility has a foreign company in its ownership structure in addition to a U.S.-based parent company, the facility must separately report its highest-level foreign parent company. This requirement takes effect beginning with Reporting Year 2023.

As noted at point 3 above, EPA is requiring TRI Reporting facilities to use standardized naming conventions that address formatting discrepancies for their parent company reporting. The naming conventions are available as a downloadable file in EPA's annual [TRI Reporting Forms and Instructions](#). This requirement takes effect beginning with the current reporting year.

To ensure compliance with the new requirements, a TRI Reporting facility should:

1. Identify its highest-level parent company according to the new definition and disclose that company in its submission for Reporting Year 2022;
2. Follow EPA's naming conventions when identifying its parent company; and
3. Identify the highest-level foreign-based company, if applicable, in its ownership structure and disclose this company separately as its foreign parent company in its submission for Reporting Year 2023.

Please contact Anthony Giuliani, David Edelstein, or your Vorys attorney with any questions or concerns as to how these requirements might apply to the TRI Reporting practices of facilities you own or operate.